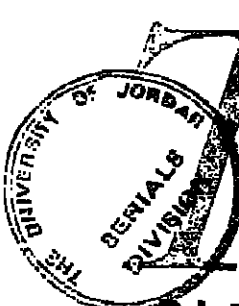


Friday February 20 1998

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take another risk

This section, page 12

Neo-Nazis held over 'subway bomb plot'

'New York anthrax attack' foiled

Christopher Reed
in Los Angeles

TWO members of the Aryan Nation, a violent white supremacist group, have been arrested in Nevada while allegedly planning to bomb the New York underground train system with deadly anthrax.

FBI agents arrested the two as they sat in a car outside a doctor's clinic in Henderson, a light-industrial town of nearly 70,000 near Las Vegas, where the men had earlier been under surveillance.

An FBI spokesman said experts had "made everything safe" and stressed that the area where the arrests were made was never in any danger.

One man was named as Larry Wayne Harris, a 46-year-old microbiologist from Ohio. He was already on probation after receiving a bionic plaque through the mail. In his defence on that charge he claimed he had discovered an Iraqi plot to attack America with biological weapons and was seeking an antidote.

In November 1996, after his indictment but before he was sentenced, he promoted his book, *Bacteriological Warfare: A Major Threat to North America*, around Ohio fairgrounds. He told people that they should take antibiotics to protect against bubonic plague, which he said could be spread at any time.

The other suspect was named as William Leavitt, aged 47. The pair, arrested on Wednesday night, were taken to a hospital to be examined for contamination before being put behind bars.

The car, in which they were believed to be carrying anthrax material, was taken to nearby Nellis US air force base for examination.

Las Vegas FBI agent Bobby Siller said the two were going to hospital for "research" and that experts had to be called to remove the anthrax.

The FBI said they had no conclusive evidence that a particular city was to be targeted. "These individuals were involved in the construction of a weapon," said a spokesman. "We have no idea where they were going to use it."

But the mayor of New York, Rudolph Giuliani, was told about the arrests by FBI director Louis Freeh, and he assured people there was no cause for alarm.

In a public statement Mr Giuliani said: "Every part of America, every part of the world, is vulnerable to terrorism. I think New York City is doing everything it can do to try to reduce the risk."

Anthrax is a bacterium found in animals. In humans it causes acute pneumonia and can be fatal.

Although America's racist extremists belong to an odd assortment of bizarre cults and groups with small memberships, they have been extremely violent.

In 1993 the FBI in Los Angeles arrested eight skinheads, "commandos" or established organisations such as the Ku Klux Klan and the Aryans. The eight were plotting to

bomb a black church and assassinate Rodney King, the black man whose assault by white policemen led to the Los Angeles race riots of 1992.

The alleged anthrax plot recalls a Tokyo subway attack in 1995 that killed 19 people. The Aum Shinri Kyo cult let off the nerve gas sarin, which is fatal through inhalation or skin contact.

The Aryan Nation is based in rural Hayden Falls, Idaho, in the Pacific north-west. They would ban non-whites from an area comprising Oregon, Washington, Idaho, Montana and Wyoming, but their biggest rallies, in which camouflaged men burn crosses, attract only a few hundred at the most.

High on hate... the scene at a recent white supremacist aryan nations rally in Hamilton, Ohio

PHOTOGRAPH BY JIM DOWNEY

Masons get final warning

Alan Travis
Home Affairs Editor

PARLIAMENT yesterday openly clashed with Britain's oldest "secret" society as MPs ordered the Freemasons to hand over the names of their members connected with past police corruption scandals.

The officials of the United Grand Lodge of England now risk facing a formal charge of being in contempt of Parliament, backed by the threat of imprisonment, unless they are prepared to submit to the demand from MPs for names.

The dramatic confrontation combined with the promise earlier in the week by the Home Secretary, Jack Straw, to bring in legislation to "out" masons who are serving judges and police officers, threatens finally to strip away the cloak of secrecy from the 8,600 masonic lodges.

There were a series of angry exchanges between Chris Mullin, chairman of the Commons home affairs committee, and Michael Higham, grand secretary of the United Grand Lodge of Freemasonry, over the naming of masons.

It is a contest in which MPs are trying to shine a light on the activities of an organisation which reaches the highest levels of the British establishment.

Among its ruling council — the general purposes board — are the current Grand Master, the Duke of Kent, Lord Farnham, Pro Grand Master, a former Appeal Court judge, Sir John Balcombe, a second senior judicial figure, Judge J. L. Sessons, and the Earl of Cavanagh.

Martin Short, author of *Inside the Brotherhood*, said last night: "Thirty years ago, no politician would have dared to attempt to call the Freemasons to account."

They really are on the ropes. The impact on their membership could be quite serious. This is 'make your mind up' time."

Commander Higham now faces the threat of an order by the Sergeant at Arms unless he discloses the requisite names within 14 days.

He risks being dragged to the Bar of the House of Commons and a maximum penalty of being imprisoned until



repeatedly clashed with Commander Higham during yesterday's hearing. At one point, Commander Higham dismissed the police scandals as now being "pretty academic" and complained that MPs were conducting a "fishing expedition."

His stonewalling provoked Mr Mullin to point out angrily that he was talking about allegations from masons and former police officers that there was "a firm within a firm" in the former West Midlands Serious Crime Squad, which was responsible for more than 30 miscarriages of justice.

Asked for a final time whether he would provide the information, Commander Higham said: "Not straight away, no. I hope you will accept that is 'no', but not in a contemptuous way."

Mr Mullin snapped: "That will be for Parliament to decide."

After the hearing Commander Higham indicated that co-operation might be forthcoming as the masons were a law-abiding society but he stressed that the names and occupations of masons were private matters between them and their local lodge.

But MPs are sceptical that the Grand Secretary could deliver anyway. They are angry that an agreement reached last November to resolve the dispute was overturned by the masons' 50-strong Board of General Purposes.

Commander Higham is to take early retirement later this year.

Sketch, page 2

BBC told to advertise for new breed of governor

John Mudd-Holland
Media Editor

ADVERTISEMENTS to recruit a new breed of BBC governor will be placed in national newspapers over the next two weeks, the Culture Secretary Chris Smith announced last night.

The unprecedented move came as Mr Smith promised to make the BBC's current board more accountable to parliament and public.

The recruitment campaign signals an end to the previous practice of recruiting the great and the good.

Mr Smith said that advertising the jobs — to fill vacancies for three governors — would make the process "more open and transparent".

The Government hopes to recruit a broader range of people to sit on the board, including more young people and women.

In a move, seen as responding to criticism that the governors have been too relaxed in policing the corporation's increased commercialisation, Mr Smith said: "There are no formal mechanisms for the governors to make the BBC accountable to the public. No sense, not enough sense, that these are people who are there to uphold the public interest."

He told a meeting of the

Broadcasting Press Guild that the BBC had improved its accountability in the last five years, but added: "They are doing a lot better, but there is room for improvement."

He said: "Most of the changes made at the BBC in the last 5-10 years have improved the efficiency of the BBC. I suspect not all of the decisions have improved the efficiency of the BBC."

The Government intends to introduce more regular meetings between the governors, chaired by Sir Christopher Bland, and ministers. Additionally, Mr Smith may make them report annually to the Commons select committee on broadcasting.

Mr Smith's comments came on the day that the governors were set to approve a plan to sell off BBC Resources, its production facilities and studios.

This decision was planned last year but held over amid fears that the move was being

rushed through without adequate consultation. Asked if he would approve the governors' proposal — to sell it off as a wholly-owned subsidiary of the corporation — Mr Smith said: "I will wish to see representatives of BECTU and other relevant unions working at the BBC before reaching a conclusion."

He added: "I want to make sure that this cannot be used as a ramp for privatisation of the organisation."

The BBC last night denied it had drifted from its public service remit. "Public service is at the heart of everything we do and stand for," the spokesman said.

Chris Smith: wants more young people on board



Chris Smith: wants more young people on board

Inside

Britain

A senior Labour MP has been sentenced to 21 months' jail for sexually assaulting a teenage girl he had just baptised.

World News

President Bill Clinton has ordered a new round of negotiations with the Munka Lawnsky, Serbia's leader.

Analysis

The British government's decision to sell off BBC Resources, its production facilities and studios, is a major step towards privatisation.

Finance

Food chains such as Sainsbury's and Asda are to merge in a £1.2 billion deal, creating Britain's 8th largest supermarket group.

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Crossword 16

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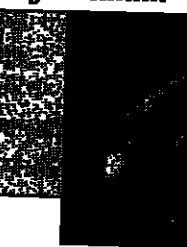
Quick Crossword 15

Radio, TV and Weather 16



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Clinton on defensive as Annan flies to Iraq

Iran Black
Diplomatic Editor

PRESIDENT Bill Clinton was forced on to the defensive on the Iraq crisis last night, seeking to build bridges with France on the eve of today's make-or-break mission to Baghdad by the United Nations secretary-general, Kofi Annan.

Saying he hoped for a "peaceful and principled end" to the dispute over UN weapons inspections, Mr Clinton added: "I think an overwhelming majority of Americans want a peaceful resolution of this. But if it's necessary for us to act, I believe America will do what it always does: I believe it will unite, just as we did in 1991."

international community ... I hope that wisdom and reason will prevail."

Russia, even more strongly opposed to force, said there was "a considerable chance for peace" after President Boris Yeltsin's envoy, Viktor Potanin, handed President Saddam a letter.

Mr Blair's spokesman disclosed that the prime minister had also received a letter from Mr Yeltsin, saying that on questions of principle "there are no differences between us".

All involved are now preparing for a new and divisive flurry of diplomacy, including a time-consuming British proposal for a new UN resolution when Mr Annan reports back to the Security Council, probably next Tuesday. On past performance, President Saddam is likely to give the UN chief just enough to divide the council over whether negotiations have really run its course.

Iran urged the Iraqi leader to "co-operate with Kofi Annan to avoid falling in the trap that has been laid for him". But Saudi Arabia, a key member of the 1991 alliance against Iraq, refused to comment on the move to allow US planes to use its air bases.

UN officials said Mr Annan would arrive in Baghdad by direct flight from Paris this afternoon, and begin talks tomorrow. He will meet President Saddam personally, two of his top aides, Shashi Tharoor, an Indian, and Rolf Goran Knutsson of Sweden, flew in from Bahrain yesterday to prepare the ground.

The US and Britain, two of the five permanent members of the Security Council, have threatened air strikes if Iraq fails to allow unfettered access to suspected biological and chemical weapons sites.

But the other three, Russia, France and China, say the use of force would be counterproductive and destabilise the Middle East.

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Robin Cook, page 12;
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Showing the flag ... Sir Jocelyn Stevens hoists the English Heritage emblem at Tewkesbury on the spot 'stained with the blood of English soldiers'

Heritage knight in battlefield fray

PHOTOGRAPH GARRY WEASER

Paul Brown
finds conflict on executive home front in Tewkesbury

SIR JOCELYN STEVENS stood on the spot "stained with the blood of English soldiers" yesterday and declared that if the second battle of Tewkesbury was lost then a whole chapter of English history would be at risk.

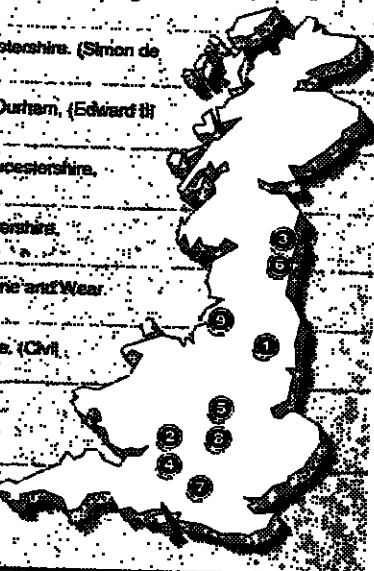
Sir Jocelyn, the chairman of English Heritage, denounced Tewkesbury Borough Council as an "absolute disgrace" for backing a plan by Bryant Homes to build 51 £200,000 four-bedroom executive-style homes over what he said was the centre of the battlefield in Gloucestershire where on May 4, 1471, the Lancastrians were decisively defeated by the Yorkists during the Wars of the Roses.

While he was getting thoroughly worked up for the fight, the enemy, in the form of Chris Shaw, the director of development services for the council, was trying to outflank him.

Clash of arms

English Heritage, battlefields under threat

- 1 1066 Stamford Bridge, near York, (King Harold repels Vikings)
- 2 1265 Evesham, Worcestershire, (Simon de Montfort killed)
- 3 1346 Neville's Cross, Durham, (Edward III defeated the Scots)
- 4 1471 Tewkesbury, Gloucestershire, (Wars of the Roses)
- 5 1485 Bosworth, Leicestershire, (Richard III killed)
- 6 1640 Newburn Ford, Tyne and Wear, (Civil War)
- 7 1843 Newbury, Berkshire, (Civil War)
- 8 1645 Naseby, Northamptonshire, (Civil War)
- 9 1648 Preston, Lancashire (Civil War)



action took place further north, in an area already developed.

Certainly Bloody Meadow, where Edward IV's troops cut down the Lancastrians, is a few hundred yards away, and a final scene of slaughter was outside the abbey where defeated troops tried to seek sanctuary.

Dr Andrew Brown, English Heritage's expert on battlefield conservation, disagrees with Mr Shaw's assessment. He said historical evidence provides a great deal of detail and that medieval chroniclers talk of "foul land and deep dikes, with hills and valleys, a right evil place to apiece as could well have been devised".

Gastons Field is mentioned in every contemporary account of events as being central to the action.

The evidence will be carefully sifted during a planning inquiry into the housing application, called in by the Department of the Environment after the local council was "minded" to give Bryant's the go-ahead.

For Sir Jocelyn, the dispute over the 10 acres that remain of the original 40-acre Gastons Field is a test case. Tewkesbury is on a

recently compiled list of English battlefields which should be protected from development.

"The English Heritage Register of Historic Battlefields defines the boundaries of 43 English battlefields. If it can be ignored here by local planners, it will be open season for other planners to develop other battlefields and a whole chapter of our history will be at risk," he said.

Both sides were agreed about one thing: the importance of the original battlefield. The real action begins on March 10 with the public inquiry. The borough council will face the combined forces of English Heritage, the Battlefields Trust, Tewkesbury Battlefields Society, the local town council and civic society and Gloucestershire County Council.

Margaret, the Lancastrian champion, was captured and hauled off to rot in the Tower of London.

There is a battle trail that crosses Gastons Field and five acres will be given by the developers so this walk can continue. Thirty acres of the original field already lie under the A38, a cemetery and 1970s housing.

Yesterday's events were but preliminary skirmishes. The real action begins on March 10 with the public inquiry. The borough council will face the combined forces of English Heritage, the Battlefields Trust, Tewkesbury Battlefields Society, the local town council and civic society and Gloucestershire County Council.

T-bone martyr ready for roasting

Pub landlord faces England's first beef-on-bone prosecution

Luke Harding

LANDLORD Alan Coomber was on a day off when a casually dressed couple strolled into his pub and ordered two large T-bone steaks.

His staff noticed nothing suspicious until, that was, the "couple" scooped the steaks off their plates and placed them in plastic bags. Then they asked for a receipt.

Yesterday Mr Coomber was resigned to the prospect of becoming England's first beef martyr. Since the Government outlawed beef on the bone three months ago, he has openly defied the ban at his 12th century pub, The Bell Inn, in the village of Iden, near Rye in East Sussex. Two days ago the authorities - in the form of the undercover duo of environmental health inspectors from the local council - caught up with him.

"It was a bit like a Scotland Yard job," said Mr Coomber. "The girl in the kitchen asked, 'Is everything OK?' because they weren't eating their steaks. They put the

steaks in a plastic bag, flashed their ID cards, and left."

He added: "I don't think I'm being victimised. It was inevitable really. My gripe is with the ministry that put the ban on in the first place. It is absolutely ridiculous."

Mr Coomber, aged 52, a former fireman who runs the pub with his wife Gwen, will now become the first person in England to be prosecuted for flouting Agriculture Secretary Jack Cunningham's new law. Rother Council in Bexhill yesterday signalled it intended to go ahead with court action.

Two weeks ago the council had sent the landlord a stiff letter warning that selling T-bone steaks for human consumption constituted a serious criminal offence and that he faced the prospect of a £5,000 fine or up to two years in prison if he persisted.

"That man had been warned and that's it really," an irritated council spokesman said. "We have a duty to enforce the new regulations." Mr Coomber, however, is undeterred. He will continue to sell 16oz and 28oz T-bone



Alan Coomber: "It was a bit like a Scotland Yard job"

steaks to customers and has set up a fighting fund to cover his legal costs. The search, meanwhile, for what he describes as a "sensible" solicitor has begun.

"People have been fed here since the 12th century. The monks used to brew the beer and feed travellers on their way from the Cinque Ports to London," the landlord said. "Now I could be thrown in prison. T-bone steak isn't a drug. It isn't addictive. This is crazy. It is a serious criminal offence. What could be more laughable."

The two offending steaks have been sent for analysis. When the lab results come back Mr Coomber is likely to be summoned before a magistrates court.

Sales of steak remain brisk, helped by a warm tide of favourable media publicity. "We sell around 40 steaks each week," he said.

"We have waved it under their noses for three weeks," Mr Coomber said philosophically. "Now we wait to get the summons."

Mr Coomber is thought to be only the second person to face charges for allegedly breaking the ban, which was introduced after scientists concluded there was a small chance that beef on the bone could transmit BSE to humans.

Scottish hotelier Jim Sutherland, aged 44, who owns a hotel in the borders, last week said he had been summoned to appear at Selkirk sheriff court on March 10.

The move, criticised by the Conservatives, followed a high-profile dinner at the hotel on December 22, attended by 170 people, at which rib of beef was allegedly served. The meal, at the Carfraemill Hotel in Lauder, was free, and was dished up six days after the ban was introduced.

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If Mo Mowlam expels Sinn Fein, it will be with the heaviest reluctance and the highest of motives - and a risk of permanent regret.
Why the Secretary of State must take another risk

This section, page 12

4 BRITAIN

Lincolnshire discrimination case

Policewoman was victimised

Tribunal rejects sex bias claim

Duncan Campbell
Crime Correspondent

A POLICE inspector who hid a tape recorder in her locker to help prove her colleagues were plotting against her, yesterday won an action for victimisation. She had claimed she had been harassed after resisting an officer's sexual advances.

Inspector Dena Fleming, aged 39, of Lincolnshire police, succeeded in her victimisation claim against her force at yesterday's tribunal, but was unsuccessful in a claim of sex discrimination.

After the hearing Ms Fleming said: "I am delighted the truth and the extraordinary treatment I have endured at the hands of Lincolnshire police has been recognised by the tribunal, and I hope no

"I am delighted the extraordinary treatment I have endured has been recognised and I hope no one else will have to go through the same ordeal"

— Dena Fleming

"We have never disputed the fact that there were management issues involved in this case which could have been handled differently"

— Lincolnshire police

one else will have to go through the same ordeal."

The tribunal had heard more than 61 days of evidence. The cost to Lincolnshire police and the Police Federation, which backed Ms Fleming, is estimated at £900,000.

Ms Fleming had claimed that her problems began at Gainsborough police station after she rejected the sexual advances of an officer who had visited her at home when her husband, also a police officer, was not living there. She claimed she had also

angered another officer by giving him a poor appraisal.

She alleged that when she first made her complaint about sexist behaviour in August 1995 it was ignored, and when it was finally investigated she was victimised because of it. It was said that anonymous phone calls wrongly alleging affairs with other officers were made to her superiors, and that social workers were maliciously told she was neglecting her two children.

To try to prove what was happening, she hid a voice-ac-

tivated tape recorder in her locker. It was found and she was suspended for "oppressive behaviour".

With the assistance of the Police Federation she launched her action against her force. She claimed later that colleagues who could have given evidence on her behalf were warned off.

"This could have been sorted out internally if only management had been prepared to practise what they preach in relation to equal opportunities," she said yesterday. "All I ask now is that the discipline charges be dropped and I be allowed to get back to work." She has been suspended for two years.

A spokesperson for Lincolnshire police said: "We note the primary decision of the tribunal is that the force did not discriminate against Inspector Fleming by reason of her sex as she has alleged..."

Fred Broughton, chairman of the Police Federation, said: "We are determined to tackle issues of inequality in the police service, and in supporting Dena Fleming's case we have sent a message to all managers about the importance of dealing with complaints of discrimination properly and promptly."



Dena Fleming (right) is congratulated by a friend, Deborah Stubbs, after the hearing

PHOTOGRAPH: DOUG MARKE

Brunei prince 'hired women' for hotel room

Sarah Hall

THE brother of the world's richest man would hire 40 prostitutes at any one time to visit him in the Dorchester Hotel, London, the High Court heard yesterday.

Prince Jefri of Brunei would procure some girls from an English madam who had worked for him for several years, and introduce others from the Far East under the pretence they were servants.

When their extensive comings and goings became noticeable at the Dorchester — owned by his brother the Sultan — he hired apartments above the nearby Playboy Club.

The allegations about the activities in 1986 were made by his former close friend and emissary Bob Manoukian who, with his brother Rafi, is suing the prince for £80 million over property deals.

Mr Manoukian, aged 50, of Knightsbridge central London, a businessman who worked for the 44-year-old prince for 14 years, claimed in a written statement that the prince, who plays polo with Prince Charles, had been entertained by his female entourage at the establishment until August 1986.

"There might be up to 40 prostitutes present at the Dorchester Hotel at any one time paid for by Prince Jefri, some from England [procured from an English madam who had dealt with Prince Jefri for several years] and some brought in especially by them from the Far East under the pretence that they were maids of servants," he explained.

By the August, the prince told Rafi he wished to rent five storeys above 45 Park Lane — the former Playboy Club — which he later bought "for entertainment purposes". The arrangement would prevent his predilection being noted: "it was

quite obvious that the comings and goings of the girls were becoming more and more embarrassing due to their numbers.

"There was a grave risk that the newspapers would get hold of the story," he said. Situated opposite the hotel, the apartments ensured "prostitutes could be brought into and taken out of the building in a discreet manner. This was obviously not the case when the women were walking through the lobby of the Dorchester and proceeding to the floors reserved for Prince Jefri," he added.

Armenian-born Mr Manoukian, whose family is worth £250 million, said the prince's lifestyle eventually led to a breakdown in their relationship.

In 1993, he had been concerned his family's reputation would be marred when he heard that the prince had started to arrange for girls to be brought into Brunei from the USA.

"As long as he contained it locally, I took the view that it was none of our business. But once he started involving American girls, I knew we would have to take precautions not to risk being associated with his behaviour," Mr Manoukian said.

He added: "From then on there was always a danger that something would happen to cause offence to Prince Jefri and cause a rift in the relationship."

The brothers claim the prince, who has four wives and three children, reneged on a £55 million deal to buy the Adelphi building in London, and a £25 million deal to renovate the first five storeys of 45 Park Lane.

The prince, who denies the allegations involving prostitutes, is countering claims for more than £100 million, claiming Rafi exploited their close friendship to make tens of millions of pounds.

The hearing continues.

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Top 1000 150

Ministers stop blaming the legacy of the Tories as Government fails to meet key manifesto pledge to cut queues for hospital treatment

NHS waiting list nears record 1.3m

David Brindle, Social Services Correspondent

MINISTERS yesterday stopped blaming the Conservatives' legacy for the continuing rise in hospital waiting lists as Frank Dobson, the Health Secretary, admitted that the latest figures were bad.

As the waiting list for England rose by 4.5 per cent in a quarter to a new record approaching 1.3 million, Mr Dobson said: "I have got to take some responsibility for them."

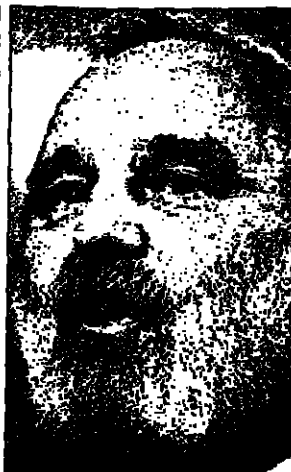
However, the increase was predictable because he had ordered the NHS to give priority to emergency and urgent cases this winter. "If you are dealing with the emergencies, you can't generally

speaking put as much effort into the waiting-list cases."

The figures at December 31 are doubly embarrassing for the Government. One of Labour's five 'early pledges', made before the general election, was to "cut NHS waiting lists by treating an extra 100,000 patients".

In fact, the total list has risen by almost 100,000 since the election. Moreover, the number of patients waiting more than a year is rising rapidly — up 19 per cent in a quarter to 68,300 at the end of December. Of those, 974 had been waiting more than 18 months, in breach of the Patient's Charter guarantee.

Mr Dobson insisted that the Government would meet its promise to reduce the list to below the figure it had inherited. That would have been achieved "at the next election". The NHS would also



meet the commitment he gave last November that, by the end of March, no patient would have been waiting longer than 18 months.

'I have got to take some responsibility. If you are dealing with emergencies, you can't put as much effort into waiting lists'

— Frank Dobson (left)

A snapshot survey last month had shown that 80 per cent of those waiting 18 months already had treatment dates before the end of

The long wait

England, at December 31, 1997

% rise since September 30

Region	% rise since September 30	Number
South Thames	5.5	195,420
North Thames	5.3	165,120
North West	2.0	183,150
South & West	6.4	158,900
North & Yorks	2.5	149,580
Anglia & Oxford	8.5	131,060
Trent	3.4	129,060
West Midlands	5.9	110,920
Total	4.5	1,262,260

March. "That is the kind of progress we are committed to achieving."

The December figures show the numbers waiting have

been rising fastest in the south and west health regions, followed by West Midlands. Stephen Day, brought in by Mr Dobson last

autumn to head a waiting list action team, was chosen because of the success he had in cutting waiting in the West Midlands.

The figures will be used by health ministers to press the Treasury for more money for the NHS next year. Reports have suggested they are asking for an extra £500 million, which would make a total of £2 billion a year more since the election.

Dr Sandy Macara, chairman of the British Medical Association, said: "The fact that the figures are rising despite the best efforts of NHS staff, despite the extra winter money and despite the mid weather, simply highlights the urgent need to improve the financial base of the service."

John Maples, the shadow health secretary, said the next figures would "worsen

considerably" because the Government had cancelled many hospital operating lists this winter to avoid a beds crisis.

"By May, Labour will have been running the NHS for nearly a year and will have no excuses for the appalling distress and suffering that these waits are causing for patients."

Simon Hughes, Liberal Democrat health spokesman, said: "Frank Dobson said in the House of Commons that bringing down waiting lists was like turning round a supertanker, but he doesn't even seem to have his hand on the tiller yet."

"With waiting lists growing faster than ever, the NHS is rapidly turning into Labour's Titanic."

Analysis page 11; Leader comment, page 13

Sex abuse priest gets 21 months jail

Geoffrey Gibbs

A ROMAN Catholic priest was sentenced to 21 months imprisonment as a sex offender on his release after being found guilty of sexually abusing a teenage girl he had just baptised.

Father John Lloyd, a priest for 32 years, was convicted of the indecent assault during his trial at Cardiff crown court last week.

Sentencing him yesterday, Mr Justice Rougier told the 57-year-old that there could be few grosser breaches of trust than when a priest sexually abused a child.

"I find the description of what you did to that girl almost unbelievable. You were entrusted with the task of baptising her, a ceremony which I have always understood is regarded as one of very spiritual significance."

"Yet within 10 minutes of that you are giving her a most unwelcome introduction to the nastier aspects of the sins of the flesh."

Lloyd, a former press spokesman for the Archbishop of Cardiff, carried out the attack at his home in 1974 after baptising the 13-year-old girl into the Catholic faith at St Dyfrig's church, Treforest, Glamorgan, south Wales.

The victim, now a 37-year-

old married woman, told the court she froze during the assault in which Lloyd told her to sit on his lap and moved his hand up her leg.

She complained to police more than 20 years later following press reports that the priest had been arrested for another alleged sex attack.

A jury last week acquitted Lloyd on four charges of rape and seven counts of indecent assault. South Wales Police said yesterday that after consultations with the Crown Prosecution Service, a retrial

'You introduced her to nastier aspects of the sins of the flesh'

would take place of nine other indecent assault charges on which the jury failed to reach verdicts.

Lloyd may also face questioning about a number of other alleged assaults said to have been reported after the trial began.

The Catholic Church, which was deeply embarrassed by the case, has warned Lloyd that he will no longer be able to exercise public ministry.

Jan Murphy QC, for Lloyd, told the court yesterday the trial had left the priest a

ruined man with a bleak future. "His normal life ceased over a year ago and the overwhelming probability is that it will not begin again. The inevitable prison sentence will in effect mean the ruination of this man of 57 who has contributed thousands of good and caring duties to others but has been found on one occasion nearly 24 years ago to be unable to suppress an illicit desire."

Passing sentence, Mr Justice Rougier said he had taken account of Lloyd's age and the number of witnesses who had given evidence in his support. But there was little that could mitigate what Lloyd had done.

The judge said he was "constrained" by the maximum sentence of two years at the time of the offence in 1974.

He told Lloyd: "You will have to register as a sex offender. You will have to register your name and place of address with the police after your release."

● Father Thomas Doherty, a gay alcoholic Roman Catholic priest who seduced a teenage boy into a sexual relationship, was jailed for six years at Leeds crown court yesterday.

The former priest at St Joseph's church in Todmorden, west Yorkshire, had denied two charges of indecent assault, one of attempted buggery and two of buggery, when the boy was aged 14 and 15.



Father John Lloyd who was jailed for abusing a teenage girl PHOTOGRAPH BY BARRY BATCHELOR

Unions condemn sickness claims agency sell-off

David Brindle

THE Government last night announced the £300 million privatisation of the Benefits Agency Medical Service, responsible for advice and tests on claims for sickness and disability benefits.

The move, which had been fought strongly by civil service unions, will fuel the controversy already raging over welfare provision for long-term sick and disabled people.

Barry Reamsbottom, general secretary of the Civil and Public Services Association, said: "We have worked hard to try to convince ministers that this was one Tory privatisation plan they should not have continued with. We still believe it is all wrong."

"The private sector, and the profit motive, should have no involvement in determining the rights of sick and disabled people to benefit."

The medical service, which employs 1,200 administrative staff and 220 Civil Service doctors, is to be taken over by Sema Group, the Anglo-French computer services company, on a five-year contract worth £305 million with an option to extend for a further two years.

Sema has been awarded all three geographical contracts

on offer. Almost four in 10 of the service's administrative staff have elected to follow other jobs in the Civil Service, but medical specialists were given no option but to seek transfer to the company.

The bulk of medical tests for benefit claims will continue to be carried out by more than 3,000 non-Civil Service doctors.

Keith Bradley, junior social security minister, said the privatisation decision was unconnected with the issue of welfare reform. It was about utilising private-sector expertise to get a better deal for claimants and taxpayers.

"As we have previously said, this would be a government of ideas and ideals, but not of outdated ideology. What counts is what works."

There was "no reason why a service should be delivered directly if more efficient means are available", Mr Bradley added.

The Government says payments to Sema will have no link to the outcomes of medical tests. Rigorous arrangements will be put in place to ensure that advice remains independent and objective.

The decision not to drop the privatisation, proposed by the last government, was taken last summer when it was resolved also to go ahead with disposal of all Department of Social Security properties.

Seat-belts 'could have saved' coach crash pupils

Bereaved parents appeal for tighter legislation across Europe

David Ward

THREE teenagers who died in a coach crash while on a school trip to the French Alps could have lived if the bus had been fitted with seat-belts, an inquest heard yesterday.

Robert Boardman, aged 14,

Nicola Moore, 15, and Keith Ridding, pupils at St James's high school in Bolton, Greater Manchester, were killed when the bus left a remote mountain road and plunged into a ravine last July.

The inquest was told that pupils were switched to a local left-hand drive vehicle

without belts when the British bus with belts, which had taken them from Bolton to France, broke down.

Dr David Bisset, the pathologist who carried out post-mortems, was asked three times if they would have lived if they had been wearing belts.

Three times he replied: "It is highly likely that if the children were restrained by belts, their injuries would have been far less serious."

The mothers of Robert and

Keith sobbed as he gave his opinion. Verdicts of accidental death were later recorded.

In a statement after the hearing, the parents said: "We wanted our children secure in the knowledge that the coach had seat-belts fitted. We did not know that the holiday company hired smaller coaches without seat-belts to take the youngsters out on activities."

They appealed for European governments to tighten legislation. "We don't want to

see this happen again and would ask all parents to get a written statement from their child's school, scout group or any organisation on their policy regarding transport and seat-belts, not just in this country but also abroad."

The inquest heard that one of the parents had checked that the coach that left Bolton had belts.

David Bowes, the headteacher, supported the parents' call. "We put our faith and trust in a tour operator which the school had used two years previously and we took it on trust that there would be seat-belts on the coaches."

The inquest was also told that Jim Shaw, the driver of the bus, had never driven a left-hand drive vehicle before and had had just 25 minutes practice before taking pupils on a rock-climbing exercise.

Mr Shaw, who was at the hearing when fined £1,250 by a French court after pleading guilty to manslaughter,

Family feud ruling overturned on appeal

Clare Dyer, Legal Correspondent

A HIGH Court ruling that the head of a leading Iranian Jewish family in Britain must pay his son more than £1 million, including interest and legal costs, was overturned yesterday by the Court of Appeal.

The judgment is the latest in a family feud dating from the early 1980s.

The court held that a ruling by the Chief Rabbi's court, the Beth Din, that the son was due the money under a deal to smuggle carpets out of post-revolution Iran was unenforceable because the agreement itself was illegal.

Sion Soleimany, aged 78, and his eldest son, Abner Soland, 48, have been caught up in what one judge described as "a protracted and vicious quarrel". The two men own separate shops a few doors apart in Mayfair, central London, but have not spoken to each other for years. Mr Soleimany is a carpet dealer and Mr Soland runs an interior design business.

The court also lifted an injunction freezing Mr Soleimany's assets which has limited him to £350 a week living expenses for 5½ years.

The court refused Mr Soland leave to appeal to the House of Lords. He will have to pay his father's costs, estimated at £500,000. His solicitors said they would consider whether to petition the Lords for leave to appeal.

Mr Soleimany said he would be happy to welcome his son back into the family.

Mr Soland declined to comment but his solicitor, Carol Mulcahy, said: "Subject to any right of appeal, my client is relieved that this unhappy affair has now reached some degree of finality."

The dispute split the family, but Mr Soland could not take it to the ordinary civil courts because of the long-standing principle of English law that the courts will not enforce an illegal contract. In 1990 father and son agreed to ask the Beth Din to try to resolve it.

The Beth Din is a low-profile court often used by Jews to settle disputes discreetly. Cases are heard by rabbis, and under Jewish law the fact that a contract is illegal has no effect on rights between the parties.

The Beth Din ruled that Mr Soleimany must pay his son £276,000.

help free a consignment of carpets seized by Iranian customs. While there he realised there were substantial profits to be made by exporting Persian carpets, but export was illegal under Iranian revenue and export control laws.

Mr Soland arranged for diplomats to smuggle out carpets. As a result of his activities he spent nine months in jail in Iran.

He claimed that his father owed him a share of the profits on the carpets. Mr Soleimany claimed that his son's transactions were "disastrous" and had inflicted substantial losses on him.

Ofsted prods sleepy schools with new table

John Carvel, Education Editor

STATE schools in England are to be given performance indicators showing how their results measure up to schools with pupils from similar family backgrounds, the Office for Standards in Education said yesterday.

"There will no longer be any hiding place for underachievement," said Mike Tomlinson, director of inspection.

Sleepy schools in leafy suburbs, content with beating national averages, would be confronted with evidence of how much better they should be doing for pupils from disadvantaged homes.

The new indicators are called Pandas — Performance and Assessment reports. Headteachers will be given data from inspection reports, test and exam performance, and teacher assessment results, showing how the school meets the challenge of its "social and economic environment".

Although inner-city schools with poor raw scores will continue to attract criticism from ministers, the adjusted figures may start to bring pressure on suburban and rural under-achievement. Ofsted said improvement was needed in 31 per cent of the most prosperous primaries — those with a tiny proportion of few children on free school meals, the most accurate yardstick of deprivation.

The Pandas will be sent next week to 24,000 schools.

Mr Tomlinson said they would be free to distribute the reports to parents.

Ministers are likely to be pressed to enforce publication, but Ofsted thinks many parents would find the reports hard to understand in their present form.

The Pandas will include benchmark performance targets developed by the Qualifications and Curriculum Authority. These show that a typical comprehensive with less than 5 per cent of pupils on free meals gets 82 per cent of pupils through GCSE with five passes at grades A*-C.

The equivalent pass rate for one with more than 35 per cent on free meals is 20 per cent. Grammar schools should score 96 per cent, while the average for secondary moderns is 27 per cent.

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Iraq crisis

Whitehall in spin over lack of public support

Home front

Michael White and Ian Black

AS THE Iraq crisis drags on, Whitehall spin doctors are becoming increasingly frustrated in their struggle to win the propaganda war at home.

Labour is finding that its slick populist techniques do not work so well when the subject is faraway Iraq, rather than hospital waiting lists or classroom sizes. "We're not getting our message across," is a frequent, frantic refrain.

Stung by Maggie O'Kane's Guardian report from a Baghdad hospital yesterday, Number 10 issued a "rebuttal" — in best Millbank style — to remind voters that medical supplies are exempt from United Nations sanctions, and that President Saddam Hussein has been the main block on oil-for-food money.

There is mounting concern that the importance of UN arms inspections — at the heart of the crisis — is not appreciated and that Britain is being portrayed erroneously as the sole military

partner of the United States. But Alastair Campbell, Tony Blair's press spokesman and Nigel Sheinwald, the Foreign Office equivalent, have had some success. The Sun reminded readers yesterday of how President Saddam had his own son-in-law murdered in 1995 for revealing the scale of Iraq's chemical weapons programme during a brief escape to the West.

And after finally obtaining the release of US satellite photographs of Iraq's "pres-

ing Street and the Foreign Office. Repetitive background papers on the UN inspections have failed to make an impact, and No 10 officials, unversed in the technical details, have been running to catch up. Some diplomats also have the distinct impression that Mr Blair is more gun-ho than his Foreign Secretary, Robin Cook.

There was a fine line between information and propaganda at a briefing for lobby correspondents last weekend.

There is concern that Britain is being portrayed erroneously as the sole military partner of the US

dential palaces", one of which is described as being the size of Paris, they used the regional focus they deployed to effect during the NHS waiting-list row last year, superimposing the photographs over maps of Glasgow, Bristol, Manchester, Newcastle, Sheffield and Liverpool, as well as London — an excellent ploy for impressing local media.

The problems they have faced trying to get their message across have been compounded by a striking lack of co-ordination between Down-

"We have recently received a report from a reliable source that members of the intelligence and the elite Republican Guard have been trying to rebuild links outside the military and intelligence services, so concerned are they that the present round of confrontations might provoke a popular rising," journalists were told.

George Robertson's Ministry of Defence has been the junior partner, initially discouraging media interest and then changing tack after Mr

Blair's mission to Washington to bolster a beleaguered President Bill Clinton. But it has still offered correspondents only one substantial briefing.

Mr Blair and Mr Cook have used that characteristic device of diplomacy, the high-profile phone call. Mr Blair called the UN secretary-general, Kofi Annan, yesterday to wish him well in Baghdad.

But the nature of the diplomatic haggles, in which President Saddam is a past master, requires stamina. It is ill-suited to the short attention span of highly competitive media, especially in the television-driven US. If war footings start coming in, the US networks will go all-out, but diplomacy is hard to film.

The only Fleet Street newspapers to carry Iraq stories on their front pages yesterday were the Guardian, the Telegraph and Financial Times.

Mr Cook's threat on Wednesday of a "proportional response" against Iraq if it used chemical weapons drew attention, but only because the tabloids went for the ritual — and bogus — "nuclear weapons" angle. Irritated Foreign Office officials had to dampen down the story, but they then compounded the problem by refusing to rule anything out.



An Iraqi factory guard brandishes his rifle in front of a portrait of Saddam Hussein yesterday. Iraqis await the outcome of an attempt by the UN secretary-general, Kofi Annan, to avert a US-led military strike. PHOTOGRAPH: FALAH KHEIBER

War jabs pose dilemma

Protection

David Fairhall
Defence Correspondent

IF BRITISH troops come under attack from Iraqi anthrax weapons, they will receive quite different protective vaccinations from those suspected as a cause of the mysterious "Gulf war syndrome" afflicting veterans of the 1991 war.

Since then, a licensed British vaccine has become available to replace the American product used seven years ago. More significantly, troops will not receive the whooping cough booster vaccine, which was used last time to accelerate their immunisation.

In late 1990 — just before the desert campaign to drive the Iraqis out of Kuwait — the

Department of Health warned the Ministry of Defence against the simultaneous use of anthrax and whooping cough vaccines. The warning came in a message from the DoH, describing tests where mice suffered "serious loss of condition and weight loss" after receiving the combined vaccination.

The MoD went ahead anyway. But the use of multiple vaccines has since emerged as a prime suspect in the search for causes of Gulf war syndrome and is therefore a likely focus of the legal action being planned against the MoD. They want direct financial compensation.

The issue of Gulf war syndrome has been embarrassing and irritating for the MoD, even causing a minister unknowingly to mislead Parliament. Last July Labour's Armed Forces Minister, Dr John Reid, vowed "a new be-

ginning" based on complete openness about facts and policy while research continues. But the new Iraqi crisis, bringing the threat of chemical and biological attacks on RAF units posted to Kuwait, Bahrain and Saudi Arabia, has put him in a dilemma.

Should he rush to give British troops every possible protection, as in 1990? Or should he play safe against the possibility of more Gulf war syndrome by holding back?

To make matters worse, the basic British anthrax vaccine, without a booster, takes 32 weeks to provide full immunisation. Even if the whooping cough vaccine is added, a spokesman for the Porton Down research establishment said, it takes eight weeks. So to be fully effective, a decision to vaccinate would have had to be taken long before the troops deployed. Ministers decided to wait

and see. "The current operational circumstances and threat assessment do not at present indicate any need for precautionary medical countermeasures," an official spokesman said. This policy covers Naps anti-nerve gas tablets and organo-phosphate insecticides — also Gulf war syndrome suspects — as well as anthrax vaccinations.

A whooping cough booster was ruled out pending the outcome of further research. In any case there are doubts about its effectiveness.

So if Saddam Hussein were to order retaliation with nerve gas or anthrax — an unlikely possibility according to military intelligence — the shore-based British troops would rely on gas masks and protective clothing. If there was some warning, they could be vaccinated, giving limited initial protection, and take anti-nerve gas tablets.

Citizen soldiers say no one dares rebel against Saddam

Voices of dissent were crushed after the last Gulf war but Maggie O'Kane in Baghdad hears of fears that remain

HE LIFTS a long red cushion in the corner of a room. "If the Americans come out of their helicopters and put a foot in our country we will stop them with this," he says. Briefly, he reveals a 1970s Kalashnikov before covering it again with the cushion.

Commando Joseph Alia Tarris, aged 48, had his shoulder broken by shrapnel in the Iran-Iraq war. His stiff vertebra was damaged when he was "crushed" by the rebels who rose against Saddam Hussein in 1991, after the Gulf war.

Now he is out of retirement to run the Dora suburb military training class from 12pm to 4pm daily, in preparation for the war that "God willing, will not come".

At the al-Qadisiya hospital in the city, cleaners are taking part in the 2pm military training shift. Their coach is a gruff 40-year-old man named Hassar, who was in

the force that invaded Kuwait. "The most important thing to remember," he tells them, "is to hold your breath when you squeeze the trigger."

An elderly charlady wearing a black chador smirks and raises her eyes to heaven. Kassa, the white-coated nutrition supervisor, marches across

"If there is an uprising, as there was before, that will be a real bloodbath"

the room, cocks her empty Kalashnikov, holds her breath and squeezes the trigger.

"We are going to fight them to within an inch of their lives," she says with a smile.

"What I fear most is not the bombing, but if there is an uprising against Saddam Hussein like there was after the Gulf war — then that will be a real bloodbath," says a 40-year-old

schoolteacher. In the immediate aftermath of the Gulf war, President Saddam's most dangerous moment came when 15 of the country's 18 governorates rose in rebellion against him.

Having been told to "take things into your own hands" by the then United States president George Bush — and then scrawled — a middle-aged academic who watched the "crushing" in the city of Najaf insists the Iraqi people will not risk another rebellion. "When the uprising was put down, the people were completely traumatised," he says. "I know this gen-

ers, thieves and hooligans" who rebelled are nowhere to be seen in Baghdad. The soldiers and civilians guarding the most sensitive military installations are speaking with one voice, in the same defiant tone pumped out nightly on the television.

At the Dora electricity plant a 25-year-old soldier, Muhammad Majid, said: "I was here through 33 days of bombing in the Gulf war. I'll be here again on the same gate. We are the sons of Saddam Hussein and we will fight for him with our bare hands."

At the Interior ministry, a likely target if war comes, Colonel Mohammed Rashid, aged 27, said: "We will be here and we will be waiting, to fight with all the blood in our veins. But God willing, it won't come."

In the house where the Kalashnikov is kept under the red cushion, Commando Tarris is offering sweet tea.

"There will be no uprising this time. All the thieves and hooligans have been dealt with," he said. "But really, we are waiting for [United Nations secretary-general] Kofi Annan — perhaps he can help us."

Robin Cook, page 12

Visit for Vanunu after 11 years solitary

Sarah Boseley

THE former nuclear technician, Mordechai Vanunu, who has spent 11 years in solitary confinement for revealing Israel's possession of a nuclear bomb, has been allowed a visit from his newly adoptive parents in the United States.

Nick and Mary Eloff are the first people, apart from his brothers, to talk to him face to face since he was convicted of treason in 1986 and jailed after being abducted from Italy and brought back to Israel by Mossad agents.

Vanunu told the couple he would not agree to any conditions linked with leaving solitary, despite evidence that the Israeli government would like to strike a deal with him.

Mr Eloff said: "Our im-

pressions are that he is still in pretty good rig. We could touch him. We all cried."

The visit was supposed to last two hours, but was brought to an end after 20 minutes, when Vanunu began talking about the past.

In 1986, concerned about the military's arsenal, he went to London to tell the Sunday Times that Israel had nuclear weapons. He was picked up by a Mossad agent named Cindy, who lured him to Italy, where he was drugged and shipped back to Israel to stand trial. He was sentenced to 18 years in jail.

Vanunu has consistently refused privileges — such as a move from solitary — in return for conditions, which usually demand his silence about the kidnap and his colleagues at the Dimona nuclear plant in the Negev desert.

Aid call for Sudanese hit by drought and war

AP in Nairobi and Addis Ababa

THE United Nations yesterday launched an appeal for \$100 million of humanitarian aid to Sudan, where drought is exacerbating problems caused by 14 years of civil war.

Four million Sudanese need food, wells for clean water and medical care, said Carl Tinstman, of Unicef and Operation Lifeline Sudan. "A deadly combination of intensified fighting and widespread drought is threatening to displace hundreds of thousands and put entire communities at risk."

Since 1983, southern rebels, mainly Christians but also followers of tribal religions, have fought for autonomy from the Arab dominated

Khartoum government. An estimated 1.5 million Sudanese have died in 14 years, and more than 3 million have fled home. Last year, UN agencies received only 40 per cent of the \$120.8 million they requested.

In Khartoum, Hassan Dahawi, a government official, said relief flights, which had been stopped because of the fighting, would soon be allowed to resume.

The director-general of the UN's Food and Agriculture Organisation yesterday also focused on Africa's chronic food shortages, saying that extended irrigation was needed to help malnourished people, who could number 300 million by 2010. Jacques Diouf said that only 12 million hectares of suitable land had been irrigated.

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Clinton's lawyers say his private life is off-limits

White House seeks to gag testimony

Ed Vulliamy in Washington

PRESIDENT Bill Clinton's inner sanctum was yesterday shoring up its defences against a fresh onslaught of Lewinsky sex-and-jealousy allegations in the Monica Lewinsky scandal, trying to plead legal privilege against the questioning of a White House aide.

A White House deputy counsel, Bruce Lindsey, deputy White House counsel, faced a Grand Jury, the White House turned itself into a stockade, trying to set parameters around the investigation into the scandal by the special prosecutor, Kenneth Starr.

Lawyers acting for Mr Clinton met the prosecutor's team yesterday for a stand-off in which they sought to put Mr Lindsey's questioning about the president's private life off legal limits.

The White House argues that a situation is now emerging in which the president has no confidential relationship with even his closest confidants.

It was not immediately clear, however, whether Mr Clinton's lawyers were going to plead executive privilege — a high-stakes measure usually invoked for reasons of national security. It was invoked by President Richard Nixon during the Watergate scandal — without success.

The White House is calling on the consequences of pleading executive privilege rather than rely on the justice department, which is represented in this case by Mr Starr. His side must show it believes Mr Lindsey has information pertinent to the inquiry.

Mr Lindsey arrived at the courthouse yesterday morning, but his testimony was delayed by an hour and a half as the chief judge told lawyers to iron out their differences on the parameters of questioning.

to which Mr Lindsey had objected. There was a gag on the exact contents of Mr Lindsey's testimony but sources indicated it concerned alleged



Intern Monica Lewinsky: claims she was told to lie

frequent meetings between Mr Clinton and Ms Lewinsky. Sources said Mr Lindsey was interrogated on Wednesday about Mr Clinton's relationship with Paula Jones, who is suing the president for sexual harassment and about his defence strategy.

He was also likely to be asked about further reported meetings between Ms Lewinsky and the close presidential aide implicated in the scandal, Vernon Jordan.

Mr Jordan was also due to testify yesterday, but a call from Mr Starr late on Wednesday night postponed his appearance. Mr Jordan's lawyer said it would be "a considerable period of time" before it was rescheduled.

Ms Lewinsky's tape-recorded account of the affair to a friend, Linda Tripp, claims Mr Jordan persuaded her to lie on oath in the Jones case, reportedly saying: "If you say it didn't happen, it didn't happen."

He is also the suspected author of a three-page memo guiding Ms Lewinsky on how to coach Ms Tripp to lie in evidence about another woman involved in the Jones case, Kathleen Willey.

Mr Starr wants to know about allegations that, after Ms Lewinsky testified in the Jones case that she had no affair with the president, Mr Jordan pulled strings to find her a new job. Sources claim Mr Jordan began to do so within 72 hours of reports that Ms Lewinsky was going to be subpoenaed in the Jones case. He found her a job at the Revlon cosmetics company.

Mr Starr's strategy is to box Ms Lewinsky in and do a deal whereby she changes her testimony, and then to proceed to similarly compromise Mr Jordan.

Mr Jordan, however, has been adviser to successive presidents since Lyndon Johnson.

According to one White House aide: "He is the one man who will save his own skin before that of the president."



Carlos Santana prepares a futuristic float for the Best Samba School competition in the annual carnival in Rio de Janeiro, Brazil, starting on Sunday

WORLD NEWS 9

Jewel thief on the run writes his own script

Ed Vulliamy in Washington

HE LOOKS like a film star, and almost became one. The "rock 'n' roll bandit" of Connecticut, curse of the rich along the Atlantic coast whose jewellery he stole while they were entertaining each other, sold a book proposal and possible film rights about his escapades to Paramount Pictures — using a pseudonym.

But the bandit, also known as the dinner-time burglar, was identified by police on Wednesday as Alan Golder, a smooth-talking jewel thief who clambered up drainpipes or climbed vines to get into houses, and now Paramount insists that the project is "no longer in development".

Golder, still at large, is said to be responsible for between 30 and 35 robberies in the Greenwich area which netted about \$500,000 worth of gold jewellery and gem stones.

Police believe he may be part of an organised ring. Golder turns out to be a paroled murderer, released last June after serving 15 years for killing a millionaire in his home during a botched burglary.

He sold his story, under the pseudonym of William Konedelseder, to Paramount for \$11,000, suggesting the title, *Precious Metal: Confessions of a Rock 'n' Roll Bandit*.

Greenwich police began their investigations yesterday into an intriguing subplot to the Paramount deal, hoping that it may help to lead them to Golder.

A police spokesman said William Konedelseder is the name of a Los Angeles Times reporter who wrote a book about an investigation into connections between the MCA record company and the mafia.

Police believe that Golder may have liked a quote in the book from the MCA boss Irving Azoff: "It was rock 'n' roll rules — I win, you lose."

Hispanics rally round treaty to get lands back

Mexican-Americans are forcing the US to confront the legacy of its first war to grab more territory, writes James Brooke

IN A ROADSIDE shop in the hamlet of Truchas in New Mexico which was filled with weavings and Spanish religious art, tourists browsed unattended recently as the owner and his friends excitedly talked in a back room about an obscure historical document.

"It's our Bible," Luis Sandoval, a retired teacher, said. He thumbed through a copy of the peace treaty signed 150 years ago between Mexico and the United States, and added: "One day, that treaty will allow us to get our land grants studied, to have justice served to our people."

Nationally in the United States, the anniversary on February 2 of the signing of the Treaty of Guadalupe Hidalgo passed almost unnoticed. Although the treaty allowed the creation of the south-west of the US, there were no commemorative stamps and few official speeches.

Facing the prospect of an attack on Iraq, few Americans looked back to the nation's first war of territorial expansion. The treaty increased US territory by a third, adding all or parts of Arizona, California, Colorado, Kansas, New Mexico, Nevada, Oklahoma, Texas, Utah and Wyoming.

Official silence over the treaty anniversary stemmed partly from a reluctance to offend Mexico, now the US's third-largest trading partner.

MANY Mexican-Americans quietly resent a document that cut their ancestral nation in half after the Mexican war. But in Truchas the treaty is as hot a topic as it was on February 23 1848, the day President James Knox Polk sent it to the Senate for ratification.

People in Truchas and other towns across the region back a Republican-sponsored bill to create a presidential commission to review claims by thousands of old Hispanic families who say their lands were stolen by corrupt lawyers and officials in violation of the treaty.

measure is a low-level guerrilla war against the US forest service that has developed in the surrounding dry, pine-covered hills. The service owns much of the disputed land. Shots have been fired at its workers, an office and a radio tower have been bombed, and a government truck and barn have been burned.

THERE has also been peaceful mobilisation. Music, dance, poetry, the unveiling of a mural and seminars marking the treaty anniversary are planned in coming months. The campaign will be capped with a public display of pages from the original treaty in Santa Fe, 40 miles south of Truchas.

In Albuquerque, the speaker of the House of Representatives, Newt Gingrich, recently posed with beaming Hispanic leaders before poster-size replicas of treaty pages.

Treaty mania revolves around land, votes and identity. Hispanic residents hope to use the document to wrest from the forest service vast areas of land say were granted to their ancestors, largely by Spain, in the 18th century.

Republicans hope to use the land-grant issue to break a half-century of Democratic political control of northern New Mexico. Already the bill, the Guadalupe-Hidalgo Treaty Land Claims Act of 1997, is creating strange political bedfellows. At the Gingrich news conference, Roberto Mondragon, a long-time Democrat and member of New Mexico's Green Party, gave hearty *abrazos* to the Speaker and to the bill's sponsor, Bill Redmond, the Truchas district's new Republican congressman.

"There is an old Spanish proverb: 'If you love me, show me you love me — don't just tell me,'" Mr Mondragon said.

Hispanic residents here argue that the treaty, with its clauses stipulating respect for Spanish and Mexican land grants, is a powerful legal lever for winning back lands usurped after the Civil War by the Santa Fe Ring, a corrupt alliance of American lawyers, judges and territorial governors who manipulated a court system alien to Spanish-speaking farmers.

Much of this land, after heavy use by timber and cattle companies, ended up in the hands of the forest service in the 1920s and 1930s. — *New York Times*

4 ACADEMY AWARD NOMINATIONS

including

Best Supporting Actor - Anthony Hopkins

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AMISTAD PROVES ITSELF NOT
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10 WORLD NEWS

Hostages seized in Georgia

Kidnappers implicated in Shevardnadze assassination attempt threaten to kill four UN personnel

Tom Whitehouse
in Moscow

SECURITY forces throughout the former Soviet republic of Georgia were on full alert yesterday after four United Nations military observers were taken hostage by armed men implicated in last week's assassination attempt on President Eduard Shevardnadze.

Last night Russian television showed the heavily armed hostage-takers holed up in a house in western Georgia, threatening to kill

the UN personnel unless seven suspects arrested for the attempt on Mr Shevardnadze's life were freed. They also called for the release of "political prisoners".

The two Uruguayans, a Swede and a Czech held hostage are part of a UN observer mission to the breakaway north-west region of Abkhazia. After two men accused of involvement in the attempted assassination were arrested by Georgian police in the town of Zugdidi early yesterday, the UN mission there was shelled and the observers abducted.

Georgian special forces

with tanks have the hostage-takers and their captives surrounded in a house belonging to a local government official about 10 miles from Zugdidi. The official and his family are also being held. Negotiators led by the interior minister, Kakha Tarmagadze, were talking to the hostage-takers by mobile phone yesterday.

The UN personnel are part of a 100-strong team monitoring a truce between government forces and Abkhaz separatists who declared their region's independence from Georgia in 1993.

But the hostage-takers are not thought to be directly con-

nected to Abkhazia. According to Mr Tarmagadze, they are probably die-hard supporters of Mr Shevardnadze's predecessor as president, Zviad Gamsakhurdia.

Gamsakhurdia died, probably by suicide, in 1993 after being ousted in a coup the previous year.

Zugdidi is a stronghold of the Zviadists, whom Mr Shevardnadze blames for last week's attempt on his life and an earlier one in 1995. He accuses groups in Russia of helping them.

The Georgian foreign ministry issued a thinly veiled attack on Russia as the ulti-

mate sponsor of the hostage-taking and recent violence.

There are serious forces behind these terrorists that are interested in provoking havoc in Georgia and undermining positive developments in the region," the statement said.

Russian forces controlling part of the buffer zone with Abkhazia were also accused of turning a blind eye to the movement of terrorists between the separatist region and Georgia proper.

Mr Shevardnadze has accused some forces in Russia of trying to destabilise his country after the civil war of 1993 to 1995.

struction of a pipeline from the new Caspian oil fields to Georgia's Black Sea ports. Russia presently carries most of the region's oil pipelines and would lose out if Western oil companies chose the shorter route across Georgia.

Mr Shevardnadze was Soviet foreign minister under Mikhail Gorbachev. He returned to his native Georgia in 1992, was elected president a year later and, though he failed to prevent the secession of Abkhazia, he began a successful economic reconstruction programme of the country after the civil war of 1993 to 1995.

THE leader of France's far-right National Front, Jean-Marie Le Pen, yesterday denied in court that he assaulted a Socialist candidate during last year's general election campaign.

Mr Le Pen, aged 58, who faces up to three years in prison and a \$30,000 fine if found guilty of causing "violence and public injury", told the court in Versailles that he was in Mantes-la-Jolie, west of Paris, on May 30, 1997, to support his daughter who was running against the Socialist candidate, Annette Pleuvast-Bergeal.

He said Ms Pleuvast-Bergeal, who subsequently won the seat, insulted him. She and several eyewitnesses claim Mr Le Pen tried forcibly to remove a tricolour scarf from around her neck. Television footage showed him shoving the Socialist candidate in the chest. — *Jon Henley, Paris*

News in brief

Former POW tells court of ordeal

A BRITISH former prisoner of war gave a harrowing account at the Tokyo district court yesterday of the brutal beatings, malnutrition and disease he suffered in a Japanese camp during the second world war.

Arthur Titherington, chairman of the Japanese Labour Camp Survivors' Association, was one of three plaintiffs giving evidence in a compensation suit against the Japanese government. They are demanding an official apology and \$13,500 for each of the 20,000 former internees they represent.

Mr Titherington said: "I think it is almost impossible to expect anyone in this courtroom to understand the mental state of any man who has lived for three and a half years with fear, starvation and unnecessary illness. All I want is justice." A judgment is expected in June. — *Jonathan Watts, Tokyo*

Le Pen denies assault

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Shamed director resigns

THE United States Holocaust Memorial Museum has forced its director to resign, ending an acrimonious tenure that was highlighted by an embarrassing invitation last month to the Palestinian Authority president, Yasser Arafat.

Several sources said the invitation, which was extended, revoked, then extended again and finally spurned by Mr Arafat, was such a public relations catastrophe that the museum needed a scapegoat and landed on the director, Walter Reich. Some also suggested internal tensions had been brewing for some time between Dr Reich and the chairman of the museum's council, Miles Lerman. — *New York Times, Washington*

Aid for earthquake victims

TWO Russian helicopters flew out from Tajikistan yesterday with more than 10 tonnes of humanitarian aid, including powdered milk and medicine for victims of the earthquake in Afghanistan.

About 30,000 people were left homeless by the earthquake on February 4, which killed more than 4,000, but efforts to get supplies to them have been severely hampered by bad weather. The International Committee of the Red Cross hoped to begin daily air drops of emergency supplies, including food and tents, in the zone yesterday. — *Reuters, Dushanbe*

Rioters burn Chinese shops

DOZENS of Chinese-owned shops were damaged or burned yesterday as thousands of people protested angrily at rising food prices in the provincial Indonesian town of Kendari, on Sulawesi island.

About 300 police with sticks and shields were deployed to disperse the rioters, estimated by witnesses to number up to 10,000.

Meanwhile in Jakarta, about 600 students at the country's largest university called on President Suharto's government to resign over the worst economic crisis in 30 years. — *AP, Jakarta*

Soft landing for Mir crew

TWO Russians, a Frenchman and his six salamanders landed softly in the snows of the Kazakh steppe yesterday, exchanging the stuffy confines of the Mir space station for bitter cold on earth. Rescue workers covered the Russian commander Anatoly Solovov, engineer Pavel Vinogradov and French air force pilot Leopold Eybarts with thick jackets after pulling them from their capsule into -30C cold.

The Russians had spent much of their six-month mission repairing the 12-year space station, which was damaged badly by a collision in June. Mr Eybarts, aged 40 and on his first space mission, brought back to earth six salamanders which had been used in experiments to test the effects of weightlessness on their egg-laying abilities. — *Reuters, Kosanai*

Early poll called in Denmark



Poul Nyrup Rasmussen, the Danish prime minister, is encircled by press cameras in Copenhagen yesterday as he called an early general election for March 11, six months ahead of the minority government's deadline. The poll will leapfrog the May 28 referendum on reforms to the workings of the European Union. "We need a stable atmosphere ahead of the referendum," Mr Rasmussen said. PHOTOGRAPH: KELD NAVNTOF

'Men power' loses steam

PROMISE KEEPERS, the male-only Christian revivalist movement that urges men to take charge of their families, has sacked its entire staff of 945, claiming a financial crisis.

The decision comes four months after Promise Keepers brought hundreds of thousands of men to Washington for one of the largest religious gatherings held in the United States.

The organisation, which encourages men to accept Jesus and become better fathers and husbands by taking spiritual leadership of their families, had charged \$50 (£30) admission to its stadium rallies. Such fees accounted for 72 per cent of the group's income, but last year it decided to stop charging admission and rely on donations alone.

Promise Keepers' founder, Bill McCartney, said the group would not be staffed by volunteers.

In a statement, he said the Washington rally had been a drain on resources and the group had been forced to use the contributions it had gathered at Christmas to cover costs.

He said the group was still planning 19 stadium events this year and called on Church leaders to donate funds that would allow the organisation to continue. — *Reuters, Washington*

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A couple relax yesterday by the Old Fort in New Delhi, where voters went to the polls on Monday. India's election is due to continue into early March. PHOTOGRAPH: JEROME DELAY

Hindu nationalists feel power slipping away



The wit and subtlety of BJP leader Atal Bihari Vajpayee (left) may not be enough to win him India's election, writes Suzanne Goldenberg

THE candidate ambled across the stage under the full moon. With what was left of his voice after a day of campaigning, he struggled to draw a response from the prim assembly.

"I know there is a lot of infatuation in this country," he told his audience. "But now we have started killing new-born governments."

There was a collective gasp. Then the crowd broke into nervous laughter.

Indian politicians do not usually tell jokes about the killing of baby girls. But Atal Bihari Vajpayee, prime ministerial candidate of the Hindu chauvinist Bharatiya Janata Party (BJP), is different.

Aged 71, he regularly tops opinion polls and his party is poised to win the most seats in a general election which started on Monday and continues into March.

But what once seemed likely to be a BJP walkover

has turned into a toughly fought contest. In the process, Mr Vajpayee's famed rapier-like wit has given way to crude personal attacks. His main target has been the Congress party's leading campaigner, Sonia Gandhi.

Last week Mrs Gandhi called Mr Vajpayee a liar. Mr Vajpayee spat back: "Malicious allegations and little knowledge do not contribute to electoral success."

The BJP's disquiet stems from the prospect that it may be out-maneuvred, as it was after the election in 1996, when it tried to form a coalition government after what is expected to be an inconclusive election result.

This would be a bitter outcome for the BJP, as it tries to cast off its image as a party of intolerance, upper-caste Hindus, hostile to the outside world and intent on developing nuclear weapons.

Mr Vajpayee is largely responsible for the apparent transformation. In a teetotal, puritanical party he is single, drinks and has had a long relationship with a married woman. He is also trusted by many Muslims who otherwise fear the BJP.

Until Mrs Gandhi provoked him, he had campaigned on benign topics such as stability, leaving rabble-rousing others. In a Lancet, when Mr Vajpayee is a candidate, a Muslim businessman, Syed Mohammed Mateen, turns the pages of a photo album featuring snapshots of the BJP politician in his sitting room during Ramadan.

"We all like Mr Atal Bihari Vajpayee," he says. "But we don't know who the policy makers of the BJP are. Maybe, if they get a complete majority, the party will not give the prime ministership to him."

These suspicions are widespread. Many Indians fear the BJP is a puppet tied to the shadowy Hindu militant group, the Rashtriya Swayamsevak Sangh (RSS). Mr Vajpayee, like most BJP leaders, is a member of the RSS.

At the RSS office in Delhi, the joint secretary, Madan Das, says: "The BJP is a creation of the RSS cadre. Mr Vajpayee cannot be a moderate. He was born. He brought up and grown in the RSS. He just presents our thoughts differently."

Some in the BJP fear that by broadening the party's base beyond well-off, upper-caste urban Hindus the party risks alienating those who believed its claim to be a principled party.

Party leaders admit compromises have been made. And some members argue the BJP has sullied itself by admitting defectors from other parties, including some with criminal records. Corruption has done much to blight its record in state governments.

"They say one thing but they do another," said Shankar Bhanu, who resigned as a BJP member of the Rajasthan state legislature last month. "If BJP politicians are running after plots of land, how can we give them the whole country to run?"

Camorra mafia's clan war sours Naples comeback

John Hooper in Rome

ITALIAN security chiefs met in Naples yesterday to agree a new strategy to combat the Camorra mafia, after an upsurge in gang warfare killed 10 people in as many days.

The latest victim was Giovanni Gargiulo, aged 14, whose murder on Wednesday moved Archbishop Cardinal Michele Giordano to describe the Camorra as "one of the faces of the Devil".

He was the youngest victim to be targeted by Camorra gangs and is thought to have been shot dead to silence his brother, a convicted gang member.

Since the city elected the

ex-Communist mayor Antonio Bassolino in 1993, Naples has had a modest revival. But the city's very plans for its future appear to be dragging it back to an unhappy past.

Almost \$3 billion will be spent on reconstruction, and the Camorra gangs want to secure their share. The new "war" is between the clan led by jailed godfather Eduardo Contino, and a gang in the east, where most of the work will be carried out.

The gang leader, Francesco Mazzarella, was shot dead this week outside Poggioreale prison as he waited for his son's release. Last year Rome sent in soldiers to guard official buildings, including the prison.

ACADEMY AWARD NOMINATION
JOAN CUSACK - Best Supporting Actress

**"...RIB-ACHINGLY FUNNY
...I HAVEN'T LAUGHED
SO MUCH SINCE
THE FULL MONTY."**
Nick Fisher - THE SUN

**"...A SHAMELESSLY
FUNNY COMEDY."**
Matthew Sweet - INDEPENDENT ON SUNDAY

**"KEVIN KLINE DELIVERS A
TOUR DE FORCE
OF COMIC ACTING...
CUSACK RESPONDS WITH
SOME OF THE MOST
TRUTHFUL AND FUNNIEST
COMIC ACTING OF THE PAST YEAR."**
Christopher Toole - DAILY MAIL

**Kevin Kline
In & Out**

NOW SHOWING AT CINEMAS EVERYWHERE

JP 11/150

Analysis NHS waiting lists



Cook's answer to Maggie O'Kane
12

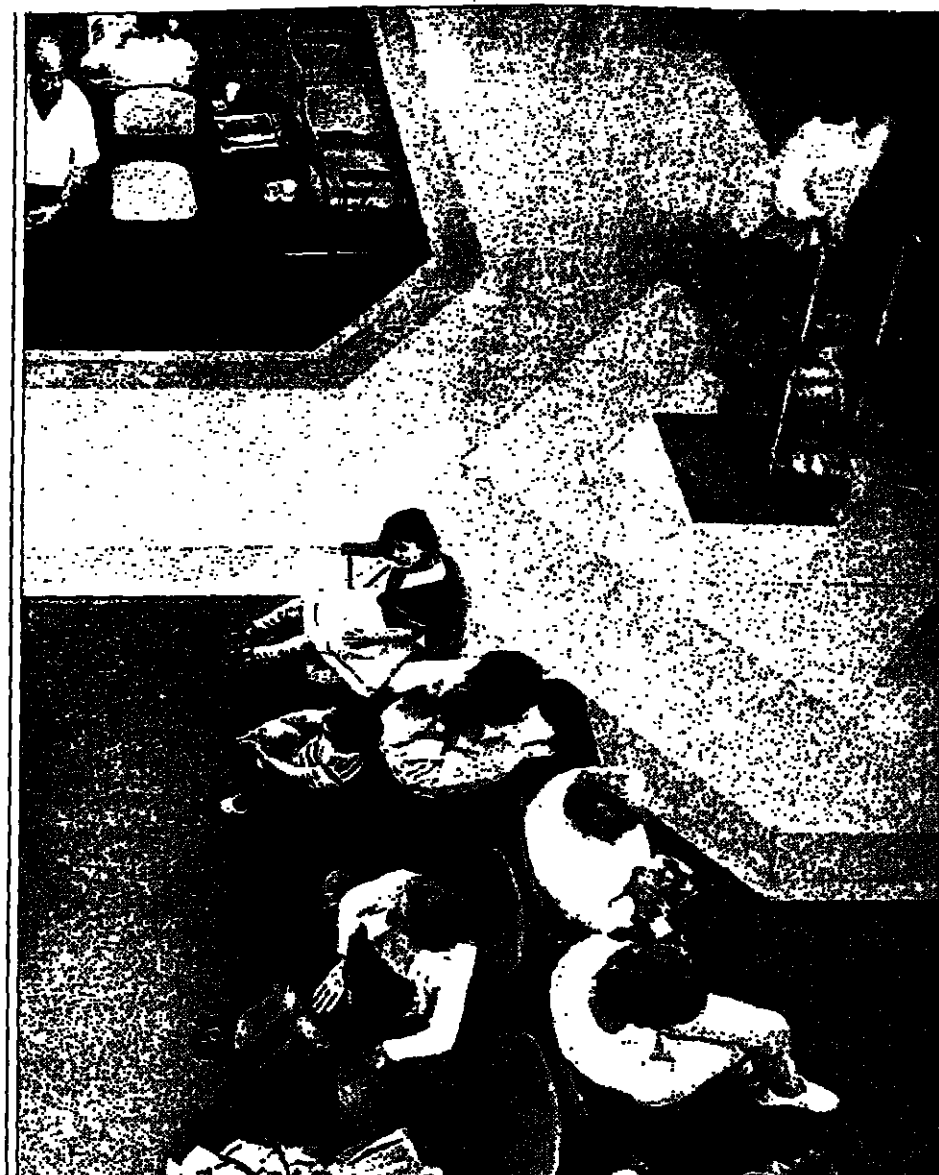
The Government is 'embarrassed' that rising NHS queues are imperilling one of its main pre-election pledges. But don't judge too hastily, say **David Brindle** and **Michael White**: in politics, spending tends to happen rather closer to voting day

The patient English

WHEN Dennis Skinner and Paddy Ashdown both berated Tony Blair mid-week over the contrast between rising NHS waiting lists and the Treasury's bulging coffers, the Prime Minister at least knew it must have been coming. Far from falling by 100,000, as promised in one of Labour's five pre-election pledges, "in the nine months since the election NHS waiting lists have gone up by 1,000 a week," Mr Ashdown told the Commons.

His embarrassment came not least from the ammunition the figures would give the Labour left and the Lib Dems, who have been hammering away since last summer at Gordon Brown's other pre-election pledge to stick to Tory spending totals. The Government is determined not to spend the sums that could reduce the health-service lists at a stroke. Brown will not budge and Blair will back him. Treasury ministers believe that to throw money at causes like the NHS will only repeat Nigel Lawson's mistakes in 1987-89: boom and bust. They also want to hold back

their largesse and win the next election. That does not mean that ministers will not redistribute cash within the overall spending totals. Already a much-trumpeted £1 billion-plus has been re-directed for health and education; in addition, useful smaller sums have been deployed for cancer operations, for urban initiatives and GPs, much of it allegedly saved from "cutting NHS bureaucracy".



Make yourself comfortable: this might take months



Comment

Diary

Matthew Norman

A POWERFUL contender for Most Amusing Press Officer of 1998 steps into the spotlight. Marc Cranfield-Adams of the House Builders' Federation sends a four-page fax concerning an Archers storyline about the development of 12 "executive style houses" at Ambridge Hall, home of Linda Snell. "To make the storyline credible," he writes, "the local plan allocation would have been known to the villagers for some time, since the Parish council would have been consulted at all stages of the local plan production." Among many, many other points — you wouldn't believe how many — he argues that a development so close to the River Am would be at danger from flooding. "This," he insists, "is typical of the type of misinformation we are trying to combat in the media." How true. However, from page 4, a fax from the programme's senior producer promises only "small amendments" to one script. Is Marc not losing this most important battle? "No, it's a victory," he says. "They have to take us seriously. If they don't, representation to the BBC at a senior level cannot be ruled out."

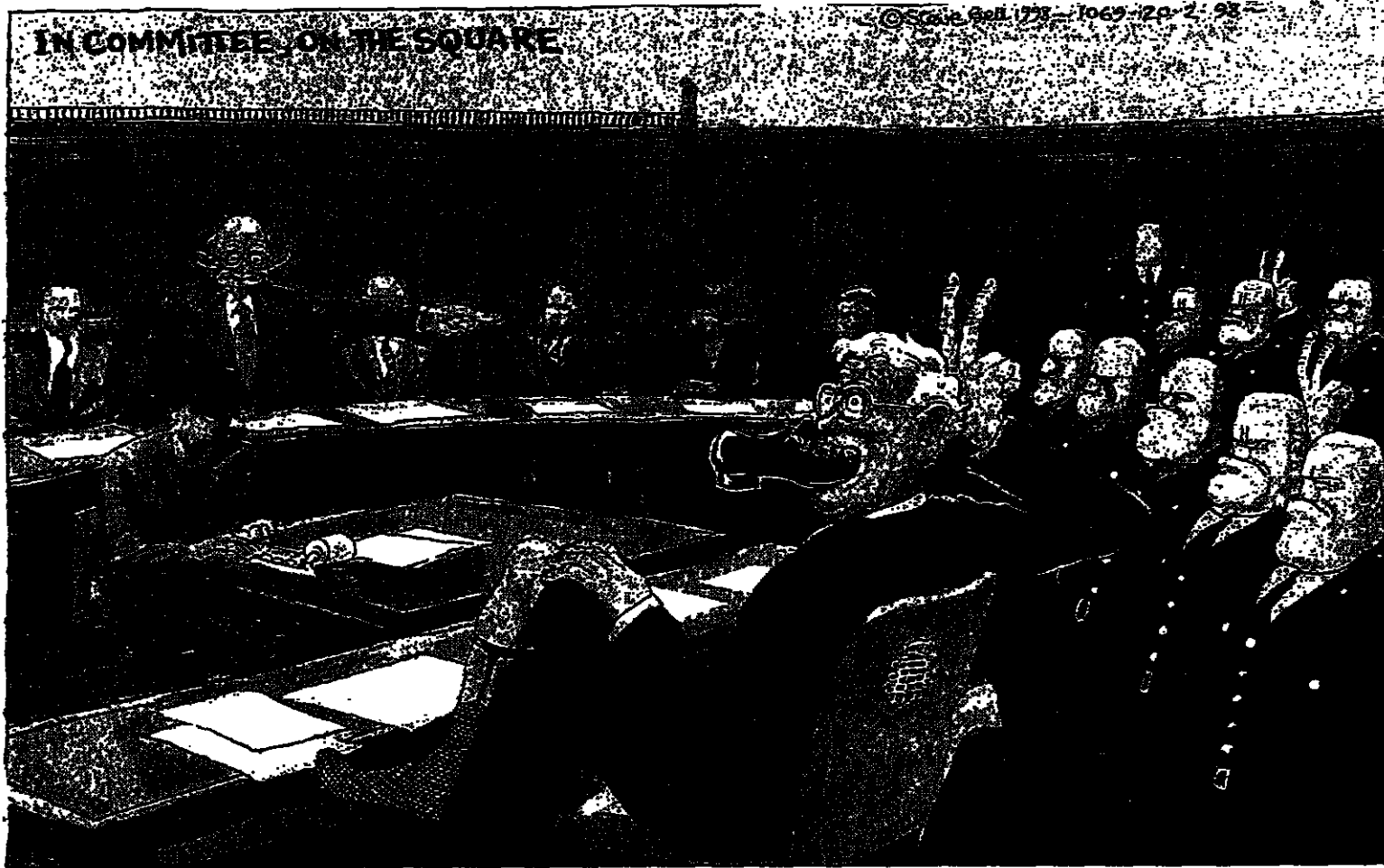
ON Wednesday afternoon, when the Agriculture Select Committee met to discuss the drafting of its forthcoming report on food safety, its chairman Peter Luff was unable to attend. Mr Luff was at home in bed with a touch of food poisoning, caught, it appears, in one of the House of Commons restaurants.

THE campaign to clear the name of my friend Michael Winner, who has been banned from a Mayfair restaurant for alleged rudeness to staff, continues to struggle. Yesterday's request for a character reference was put to the restaurateur Anthony Worrall Thompson. "Well, actually," said Anthony, "he's banned from my restaurants too." Oh dear. "Yes, he has been for some years. Of course he may be a perfectly nice guy, I don't know him very well. I only deal with him through my solicitors." Dear oh dear. Still, there is some good news. Michael will be returning to the Worrall Thompson empire after all. "Yes, I had painted images of him will shortly be appearing," says Anthony. "On too seats in my restaurants." What an enchanting thought.

I AM sad to learn of another blow to my friend Hilma Howard. Hilma, you will recall, is continually concerned about her son Michael, who, even in Opposition, continues to be a martyr to his colds. Now her grandson Nick, Michael's boy, is involved in a row over Judaism. Nick, although raised as Jew, has become an evangelical Christian, and following attempts to convert other Jewish undergraduates at Oxford has been accused of "spiritual Nazism" by Schumley Boteach, a publicity hungry Rabbi. All the young gentleman has said, so far is this: "I wonder what my grandmother is going to say. She will probably be very hurt." Yes, Nick, she will. As for what this will do to your father's sinuses, I dread to think.

IT'S relentless drive to uphold its image as a national joke. Group 4 has had a triumph. The security company has escorted a remand prisoner from a prison in Durham not to nearby Chester-Le-Street, as hoped, but almost 100 miles away to Chester. Still, it could have been worse: as a benumbed Durham copper remarks, the man might easily have been on trial in Washington, Tyne and Wear.

PUT ME ON A WANTED LIST IN SCANDINAVIA FOR THE NEXT YEAR OR SO.



Mo Mowlam has done well. Now she must take another big risk

Decca Aitkenhead



SECRETARIES of State for Northern Ireland have had a regrettable history of regarding themselves as headmasters of a school for confirmed delinquents. The little monsters will never come good, they shrug, and the best they can do is police the playground until it's somebody else's turn to take over. Tory ministers with a disciplinary streak probably rather enjoyed themselves. Mo Mowlam regards her job in a more ambitious light, and has done a remarkable one; that she should find herself forced back into the role of exasperated headteacher this week is a great shame. If she expels Sinn Féin, it will be with the heaviest reluctance and the highest of motives — and a risk of permanent regret.

The case for expulsion looks at first unarguable. Gerry Adams signed up to the Mitchell Principles — then last week two men were shot dead, and the police said the IRA were responsible. There's no point having rules if you let people break them: the integrity of the talks must be protected, and precedent has already been set with the expulsion of the UDF. What would the unionists say if Sinn Féin were allowed to get away with it? On paper, there is no debate: Adams has to go. But Northern Ireland is not a paper exercise, and the Province is not a school. When you expel Adams, he does not become someone else's problem. As always in Northern Ireland, there are two layers of conversation going on. Sinn

Fein's official objection to expulsion is pretty thin. "The party does not have a case to answer," Adams insisted, claiming he neither speaks for the IRA, nor is implicated in their actions, but owes his place at the table to an electoral mandate. Everyone knows this is nonsense. If he has no relationship with the IRA, what is he doing there? We credit Adams with the IRA cease fire; if his voice counts for nothing with republican terrorists, what's the point in negotiating a settlement with him?

But the official relationship between Sinn Féin and the IRA has always been necessarily muddy, partly for political reasons and partly because it is. We all know this. We also know that when he says he oughtn't to be excluded for the killings, what he means is that Sinn Féin did not sanction them, and are doing everything possible to prevent them.

AND we know that when Adams warns of violence, this is not rhetorical menace: if Sinn Féin are out of the talks, their influence over those getting bored with the ceasefire is crippled. There is a theory doing the rounds that this is all a ruse by Adams to get out of talks which aren't going his way, while retaining the moral high ground. Anyone still stuck in that old Adams-as-bloodthirsty loop is scarcely worth the time it takes to point out the extraordinary lengths Gerry Adams has gone to to sustain the talks,

and is as intellectually hostile to the possibility of peace as the bomber. There is obviously a republican element determined to derail the peace process, otherwise two men would not be dead. But by expelling Sinn Féin, the Government rewards the gunmen with the very prize they had in their sights when they took aim. When observers sigh that republicans are sinking back to "what they do best", they seem not to have noticed that the expulsion gives those

Expulsion gives gunmen licence

gunmen their first real licence to do precisely that.

If Adams is expelled, his warnings prove true, and the IRA ceasefire shatters into fireworks, what then? Re-admission to the talks will be barred, and that famous peace train will then be pushing on without him — but without Sinn Féin on board, it is less a peace train than a pantomime horse. Putting the case for expulsion. Mo Mowlam argued that "you cannot negotiate with a gun to your head", and it's a reasonable point. But in Northern Ireland's politics there is always a gun to your head — and it's a more volatile gun if Adams is out of the talks. That's the trouble with Northern Ireland. The normal rules of democracy don't all

ways work. If Mo Mowlam wants to find grounds for keeping Sinn Féin in the talks, the openings can be found. For example, the precedent set by the UDF is not conclusive — the UDF had admitted to a campaign of violence, while the IRA insists its ceasefire is holding. To rely on terrorists' sense of fair play and decency ("So you say you didn't do it? Jolly good") — would clearly be rash, but this is the blurred world of realpolitik, and the IRA's denial offers room for manoeuvre. (The reiteration of the ceasefire is certainly worth something. A terrorist outfit intent on victory through violence usually likes to let you know when it has killed someone.) In addition, the IRA link to the murders is only an allegation; the entire talks process can't stop while we wait for a trial, but again, the grey area is there to be exploited.

THIS sounds rather like an appeal to bend the rules, and it is. We'd still be locked in the line that we never talk to terrorists if we didn't bend the rules; we talk to terrorists because otherwise they kill people. You don't have to buy Sinn Féin's sophistry to see that peace depends upon finding a way to include them, and that a settlement matters more than protocol. When Mo Mowlam visited the Maze, some were scandalised by "irregular" behaviour, but it worked. Northern Ireland is an irregular place, and Mo Mowlam must take another risk.

Mines Advisory Group. It is making a massive difference to their lives, from providing hospital equipment to rebuilding the villages Saddam tried to destroy. It is giving back to the people of Northern Iraq the chance to be healthy and self-sufficient. The contrast with the rest of the country could not be starker.

A resolution drafted by Britain goes before the Security Council today, more than doubling the size of the oil-for-food programme from \$2 to over \$5 billion. It contains safeguards to make sure the extra money actually helps the Iraqi people. It could pay for the food and medicines that the Iraqi people need so badly. It could restore clean water and proper sanitation to hundreds of thousands of Iraqis, restore electricity to their homes and help their farmers increase their output. If Saddam accepts the resolution, sad stories like that of Kena Azar can become part of Iraq's tragic history. If he does not, then the Iraqi people will know exactly who to blame.

Robin Cook is the Foreign Secretary

She missed this war

Bill Buford



"MY DEAR William. Note: that's William. Not Bill. You must change your name. No one will ever take you seriously as Bill. And your hair. You've got to do something with your hair. Also that beard — shave it. You look like Allen Ginsberg." I'm quoting Martha Gellhorn, the novelist and war reporter who died last Monday, and whose work I had the privilege of publishing for much of her last decade, her ninth.

The elementary facts. Born nearly 90 years ago. Bossy, straight-talking, cigarette-smoking. The boozey reporter of wars and of the plight of the down and out. And a writer of novels and short stories. She was married to Ernest Hemingway, and hated that, whenever her work was written about, his name was mentioned as well, just as I'm mentioning it now. But it's hard to avoid: they fell in love at the outbreak of the Spanish Civil War, and divorced once the second world war had ended, and in between there were Cuba and big-game hunting and trips to China and battlefields in Finland and Barcelona and the beaches of Normandy.

Could there be any two people more romantic? He was Papa Hemingway, by then and she was what? Blonde and thin and sexy, a starlet of the highest order, a young Lauren Bacall, except that she was prettier and sexier and whole lot brainer than a young Lauren Bacall. There was a glamour about Martha Gellhorn, the glamour of black and white movies. It was in her manner and her way with the ways of the world. She was a dame.

SEVENTEEN years ago, I hadn't read Martha Gellhorn, but I was putting together a magazine of travel writing and someone said I should ask her to contribute. A piece about a journey to Haiti was the result — dramatic and eventful (a white woman on an island of angry blacks who nearly got stoned) and full of what I would come to recognize as Gellhorn rage — the irrepressible, passionate rage against injustice. "The Big Picture always exists," she wrote, and, by Big Picture she meant the self-interested dramas of power brokers and politicians and corporations. "And I seem to have spent my life observing how desperately the Big Picture affects the little people who did not devise it and have no control over it." Why had I come upon her now? I learned later that Penguin had brought out her first book in years.

Travels with myself and another (that reluctant "another" was the famous husband), but Gellhorn was unhappy about how the book was published and unhappy with the publisher. (I would learn later still that she was to be unhappy with the many publishers who took on her work, including myself, but not one of us regretted the privilege.) At the time, I was just thrilled by what felt like a discovery — this American in Britain, this throwback to a time when right was right and

wrong was an identifiable thing which must be fought at all costs. I wanted to do everything for her. I wanted to publish her in my magazine. I wanted to publish her books. I wanted to be her agent. I wanted to see her work translated, brought back into print, made into movies. And, for a brief period (both of us fools) she let me be all these things: editor, publisher, agent, the works. I should have known better.

Her letters are postmarked Belize and Kenya and Tanzania and the south of Spain — she was happiest in places where she could wear little — but her home was a cottage in Wales, where she read, drank "boozie" (another Gellhorn word), read mystery novels, and wrote, until she got tired of her company and came to London. And there she devoured company. John Pilger, Paul Theroux, James Fox, Nicholas Shakespeare, John Haff, Jeremy Harding. We'd see each other — one of us on the way out, as another arrived. She had women friends, but Martha liked men and was flirty and coquettish even at the age of 85. Her account of the Normandy invasion was instructive: she was thrown off the press boat (Hemingway got her credentials), and, after being summarily returned to Britain, she filled her way back on to another boat (a hospital ship), and, stowed away in a toilet, saw the invasion first hand.

I BROUGHT up Hemingway the first time I met her for dinner. It was the forbidden subject. "William," she said, "I have only one response to people when they bring up that name. And that's to show them the door." She didn't. In fact, she went on to talk about him at length — both that evening and on many occasions thereafter. Sometimes it was Ernest the monster (how he terrified his children) and sometimes Ernest the myth (he was, in her words, "sly in bed," and had, she was convinced, slept with no more than five women). She became fed up with him during the second world war — he was bloated and self-centred and indifferent to history — but all ways had enormous respect for the writing. She talked about the philosophy of his sentences, and that business of parsing them back until they were as direct and true as they could possibly be — something she did in her own tough, often staccato prose. She said many things, but usually uttered under the influence of her liquor cabinet, and few details remain. Once I wrote

'Hemingway only had five women'

something on a napkin — Martha had gone to the loo, having just revealed some wonderfully salacious titbit — but I was so drunk that I later blew my nose into it and threw the napkin away. There was a suspicion among Martha's friends that she would never die. She had too much energy, too much determination to be curtailed by something as ordinary as mortality. She had a 90th birthday coming up. Surely she'd make that. And there was the prospect of a war in Iraq, pure Gellhorn. She wouldn't miss that. But she will. "There's no need to sweat so much now," Martha wrote me once. "I've always thought it was better to wait for posthumous fame and glory." And now it's hers.



Robin Cook replies to Guardian reports of child deaths in Iraq

Saddam is to blame

KOFT ANNAN arrives in Baghdad today. He carries with him all our hopes for peace. None of us wants to use force. We would gladly stand our military down if we could find a peaceful and workable agreement with Saddam Hussein. We are keeping the door to peace open as wide as possible for as long as we can.

Maggie O'Kane told the story in yesterday's Guardian of Kena Azar, a six-month-old Iraqi boy suffering from a plague borne on a sand-fly. She used his sad story to argue that the sanctions regime on Iraq should be torn down. In fact, the reverse is true. Ever since sanctions were last imposed, Britain has led efforts to make sure that the impact on the Iraqi people was minimised, and that the impact on the regime was maximised. In 1991 we tabled a UN Resolution allowing Iraq to sell oil in return for humanitarian supplies. It was Saddam who refused to implement it. We tried again later that year

with another resolution. Again, the UN adopted it and Saddam ignored it. In 1995 we tried again, passing oil-for-food Resolution 986. This allows Iraq to sell \$2 billion of oil every six months, and spend the proceeds not just on food and medicines, but also on water and sanitation equipment, and on tasks like mine clearance in agricultural areas. These are the things that could make a real difference to the lives of children like

Weapons matter more than his people

Kena. They have not done so, because Saddam has consistently blocked the UN's attempts to help his people. The Iraqi government rejected Resolution 986 for over a year. For months afterwards they prevented its implementation. And when they did sell oil, and got the proceeds to help the Iraqi people, Saddam used the money to lower by

an equivalent amount his government's own welfare spending. Each family's ration of baby milk was actually reduced — and so canned baby milk is now piled up in Iraq's markets. The inescapable conclusion is that Saddam has no regard for the plight of his own people. He has consistently rejected all the UN's attempts to help, and instead prefers to use their suffering as another tool in his propaganda strategy. He spends vast sums on his weapons programmes, diverting huge amounts into vast complexes like the Al Hakam plant, 18 square kilometres in size, which was found to be producing anthrax rather than the animal feed he had claimed. He has spent at least \$1 billion on dozens of presidential palaces. He and his family live a life of luxury, in stark contrast to the avoidable misery of his own people.

At the end of the Gulf War Saddam pledged to destroy his chemical and biological weapons, and to let UN inspectors verify this. For the past seven years he has systematically deceived and obstructed those inspectors, while continuing his efforts to

rebuild an arsenal of weapons that could wipe out cities. Four out of five of their inspections have been blocked or delayed. Large quantities of the ingredients for chemical and biological weapons are still unaccounted for. If Saddam had fulfilled his pledges, then sanctions would have been lifted long ago. But his weapons programme matters far more to him than his people.

Saddam Hussein's writ does not run in Northern Iraq, and

Baby milk is piled high in the streets

It is no accident that the people there are hugely better off. Not only do they have access to the food and medicines denied to the rest of the Iraqi people, but the international community has been able to work actively to help them. British aid is able to work for the people directly, through British NGOs like Save the Children and the

Guard

Waiting for Dobot

ers to the Editor

Vic

K

Best of tre

Bel Littlejohn

But lists are not all

Honesty is always refreshing, but it may not get us much closer to tackling what is a very complex subject, made more so by being so highly politicised. The immediate question is whether the figures could have been somehow reduced. In October Mr Dobson announced a £300 million boost for the NHS, specifically targeted at tackling emergency admissions and waiting lists in the winter months and beyond. In November he set up a Waiting List Action Team, backed by eight regional task forces. These were going to "train their sights on where local problems have arisen". It all sounded great combative stuff at the time, yet it has had no perceptible effect. Mr Dobson says that under the government the NHS has "coped better than ever before with the winter pressures" — but it has been a very mild winter. The NHS was unable even to fulfill the more modest pledge that no one

The government may consider that waiting lists are not the only criterion by which to judge the NHS. If they have become so, then it has only itself to blame. The pledge to cut waiting lists by 100,000 had its use as an electoral carrot last year. Labour cannot really complain if the opposition now turns non-performance into a stick against it. In

This does not mean that efforts should not be made to reduce the lists. Though some categories on them may be of marginal importance, the social and human cost of waiting for "non-urgent" treatment is still very considerable. If it needs more money to tackle the problem properly, then there are ways of finding it. Mr Dobson should not have to put himself, as he did yesterday, in the position of arguing that repayment of the national debt must take higher priority. That is the Chancellor's job, not his. Most people still believe that the health service, across the board, remains the highest public priority of all.

The move could not have been more embarrassing. Far from denouncing the tribute to Mr Kohl, official Conservative policy had been to praise it: indeed, the party's foreign affairs spokesman attended Wednesday's ceremony as the representative of Mr Hagne. By his rogue initiative, John Redwood not only broke the party line — he also aligned himself with the cackling placard-wielding europhobes who bartered guests as they arrived at the Guildhall. The protesters' use of a Second World War air raid siren spoke volumes, marking them out as little more than unconcerned anti-Germans, so stuck in the past they were unable to see the present — let alone the future.

Changing Jews

An old nerve is touched

Those who have heard the two sides debate each other may well have wondered if the rabbi was slightly over-reacting. After all, campus Christians have always "targeted" non-believers of all backgrounds — urging them to discuss scripture over a cup of coffee. Surely there's no mortal threat posed by a simple invitation to a *meeting* — even if kosher food is served. If Jews are confident in their faith, then they will not easily be swayed.

But such a view misreads the unique echoes Jews hear when people try to prise them from their tradition. Rabbi Hirsch is right that attempts to convert the Jews have always preceded their physical persecution — with the Spanish Inquisition only the best known example. What a missionary may intend as a friendly knock on the door sounds altogether different to a people which has endured this past. Young Mr Howard should remember that “the conversion of the Jews” was once used as a synonym for the end of the world — as if the day would never come.

Don't mention John Redwood

The Shadow President of the Board of Trade sent out one of his attack faxes, condemning the burghers of London for honouring Helmut Kohl as a freeman of the City. Mr Redwood said the gesture was a

A date on the terraces

SURELY the simplest rule for referring to dates in the new century would be to call the years 2000-2009 "two thousand and . . ." and thereafter "twenty-ten" etc (Let's see, February 18). It is surely customary to say that the Vikings were reputed to have reached North America in the year "One thousand", but to speak of "Ten sixty-six".
Patrick Mills.
Cambridge.

THERE have been many times in the past when I have been reminded of my gratitude at being a Guardian reader, yesterday was one of them. Maggie O'Kane's report described graphically the chastising effect of war on the innocent people of Iraq. I feel that I have to add my voice to those of so many thousands of people the world over who object to the prospect of war in

I WISH Maggie O'Kane's report could have been read in full to the House of Commons on Tuesday. The Iraq debate of that day was a depressing spectacle, the division list "ayes" a Labour roll of dishonour: Meacher, Ruddock, Hain... the list is long. Tom McFadyen.
Glasgow.

Until these fears are addressed, there will be no peace. Not only will there not be peace, but there will be no winner except the arms trade, which thrives on the preservation of "rogue dictators" like Saddam Hussein.

Dr Scilla Elworthy.
Oxford Research Group,
Oxford

RTHON Lord Justice Stuart-Smith (Elliessborough 'betrayal', say relatives. February 19) educated Radley, Corpus Christi; 2nd Lieutenant, 5th Royal Inniskilling Dragoon Guards. Called to the Bar 1952. Recreations: playing cello, shooting, playing bridge. Club: Beefsteak. Appears more Establishment than Terraces: does he know who Robbie Fowler is? Brenda Grant. London.

Please supply a full address. We may edit letters



Jane Carnall.
Edinburgh.

F Mr MacCabe's daughter received "supplementary benefit" four years ago she was indeed receiving a benefit to which she was not entitled: supplementary benefit was abolished in 1988 and replaced by income support. MacCabe then attacks "middle-class students claiming supplementary benefit" but students are barred from claiming income support.

The "random research" which MacCabe did for his article seems to have left him with the most elementary ignorance on the subject. And for those who can claim income support, their claim is decided on the basis of their income. Not their class.

Dr Julian Goodare.
Edinburgh.

HAS Mr MacCabe shopped his children to the government's "Tell on a cheat" hotline? If not, why not?
Peter Taylor-Gooby.
University of Kent.

D ID you read Tuesday's moving, moving piece in G2 about middle-class kids going on the game? Did you? Well did you? **ANSWER MEN!**

Sorry to raise my voice like that. It's not like me, really. It's not I just didn't realise how upset that piece would make me. It quite literally filled me with horror to think of those poor kids — students, a lot of them, from middle-class backgrounds, all studying

Why have middle-class students decided that prostitution is a neat way to make money?" was the heading. "Everyone's doing it, apparently," it said. "Why do they do it? They need the money, that's why... to Thatcher's clear-eyed children, selling your body for sex is sound business sense."

Powerful stuff. And the evidence? It's threefold, and shattering. First, there's a report that male undergraduates at Cambridge "are being invited" to join an escort agency, even if so far no-one's actually done it.

Second, two weeks ago, the daughter of a Conservative MP was found picking up men at Stringfellow's. And finally, two years ago, Jean-

So that's at the very least two people in Britain, one of them less than 20 years ago, one that doesn't make the problem seem terrifyingly widespread, then my God, I don't know what does. It's articles like this that tell me loud and clear that it's time we all sat up and listened to what the hell's going on in this so-called society of ours. If only someone had written something like it 20 years ago, then the lovely Jeannette Winterson might have been saved from her fate, and the statistics for the current wave of student prostitution would have been slashed in half.

Of course, you don't have to teach me any lessons about concerned journalism. As an award-winning commentator, I've been identifying deeply worrying trends in our society for over a quarter of a century now, sometimes at the

rate of two a month. Only last week in *The Observer*, I alerted the nation to one of the deepest and most voracious trends of the past fortnight. "Why have high flying female executives decided they would rather spend their days watching daytime TV?" I asked, going on to identify a potentially catastrophic new trend in our society, the emergence of a new daytime-TV-watching post-executive female underclass.

THE evidence was stark. Provocative. And brutally compelling. The Sunday Express had run a story just 27 months ago about a 32-year-old woman who had given up her job as a merchant banker and was now just looking after her three kids — and watching daytime TV for up to two hours a day.

Not only that, but in The Sunday Times, a profile of top-ranking executive Marjorie Bluns of AirBus UK Ltd

revealed that on her week-ends off, she likes nothing more than "to snatch an hour or two watching telly".

"Everyone's doing it, apparently," I wrote in a hard-hitting piece to shame us all.

"Why do they? Because the strain on a woman of a high-pressure job is proving too much, and the deadly, dumbed-down drug of daytime TV is too appalling a temptation to ignore." And upwards of two important female achievers already descending inexorably into TV torpor, it looks as if the post-feminist avalanche of women allowing their brains to turn to TV jelly is now well and truly under way. And frankly it terrifies the life out of me."

With my cool-headed forensic skills, I traced the current epidemic to the door of Thatcher's Children. And it's Thatcher's Children who are singled out for blame in this Sunday's piece, in which I identify another alarming new trend in our society: the

growing number of professional men and women who are developing a potentially dangerous quasi-religious obsession with butterflies. For too long, we as a society have turned a blind eye to the signals — the theme music *Life Is Like A Butterfly* from the popular Wendy Craig sitcom — that have been screaming. Hirst's highly-publicised Butterfly collages, the butterflies that are clearly visible in the background of the Teletubbies television series, butterfly-shaped earrings on sale in High Street chain-stores, the unprecedented success of the sevenside rock band Iron Butterfly and — most concerning of all — the wholly unsupported tendency of our men and women to walk home at night with hammers and chisels. It's a trend. And it's deeply worrying. So what does it all add up to? Could it be a deeply worrying trend? That's my overwhelming fear for this week.

Reasons behind my son's death

ACCORDING to the coroner's report, the operation performed on my son to correct a series of heart defects known as a Fallot Tetralogy on January 24, 1991, was a success (Faith under the knife, February 18).

The operation was carried out at the Bristol Royal Infirmary by Mr James Wisbeart and his team. Ben was one of the first patients to be called in following a postponement for the possibility of massive numbers of casualties being evacuated from the Gulf war... the timing of world events and the hearings of the GMC have a certain *déjà vu* about them.

I have memories of Stephen Bolzin giving three-and-a-half-year-old Ben an injection in the back of his hand as I held him tightly on my knee. He fought off the pre-med, hence the necessity for my wife and I to take him down to the operating reception room. The anaesthetic nole-axed him and I

What do
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Coal B.

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Stories of a small land

more appealing than the Nobel laureate. He became a Sing (Brahmakutasanullah 1957). Paradiyasa Reclaime (Paradisaiheimet, 1960) and *Christianity of Glaces* (Kristnihilad unndur Glati) are significant unndur. His departure is a means of style and narrative, but his hallmarks – dramatic storytelling combined with lyricism and dry humour – remain. From this same period are also of distance the most successful plays, among them *The Pigeon Banquet* (Dúfaveislán, 1966).

His last works were a series of autobiographical novels, beautifully crafted and illuminated by the glow of a distant childhood. Many of his countrymen learned to appreciate their brilliant novelist and their feeling is certain to be followed by all those who relish great storytelling.

Svaldur Óskarsdóttir

Halldur Laxness, writer, born April 23, 1902; died February 8, 1998

Standing in for India

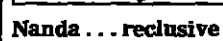
1966, Nanda again took over as prime minister — this time gladly resigning — on to Indira Gandhi after 14 days.

Nanda's active political career ended in 1968 when he resigned as home minister in protest at an alleged police-led charge on a group of *sadhus* (ascetics) demonstrating against cow slaughter. He returned for a brief tenure as Union Minister, but never contested another election.

Nanda contributed to the development of the Kurukshetra in Haryana, believed to be the epic battleground of *Mahabharat*. He formed the Kurukshetra Development Board, and collected funds and organised volunteers to build amenities for visitors to this previously neglected Hindu religious centre, working on the project until the age of 91. On his last birthday, he was awarded the Bharat Ratna, India's highest honour.

Harshraj Pandya

Guzaratil Nanda, Indian politician, born July 4, 1888; died January 15, 1996



Singalong with Hollywood

Merrill had turned to writing musicals. He wrote both the lyrics and the music for the show, *Carnival*, based on the Leslie Caron movie, *Lili*, and *A New Girl in Town*, based on Eugene O'Neill's *Annanah Christie*—for both of which he won the New York dramatic critics' award in 1964. He returned to O'Neill with the musical version of his *Walls of the World*, which was called *Take Me Along*. His attempt to turn the Audrey Hepburn movie, *Breakfast At Tiffany's*, into a stage show flopped. He also worked on *Hello, Dolly!* before writing the lyrics for *Henry, Sweet Henry* (1967) and *Sugar* (1972).

In 1964, Merrill wrote 37 of his musicals in four short years. The first he called *We're Home*. Six years later, he wrote *Hannah...* 1938, a musical about a Prague woman forced to work for the Nazis. His Hollywood screenplays included the Rod Steiger film, *WC Fields and Me*. *Maogahony*, which starred Diana Ross, and *Chu Chu and The*



Dame Shirley's enemy within

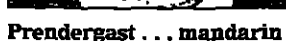
Scotland, racing at Ascot and to attend the casino at Deauville, but, like so many of Lloyd's men, there was a flaw. As much as he tried to cover it, his human tender side could break through and did. Even after diabetes left him without legs, he got to the Carlton Club every Tuesday for his one committed weekly drink — a large whiskey and soda.

Few Tory municipal mandarins like him remain, or even remember, the days of the watch chains. They probably run entertainment complexes. None, I feel, could make the mistake I even though it is, I understand, running out of business. Tony was awarded the CBE in 1961.

He is survived by his wife, Simone, and a son.

Willyd Horn Harrington

Christopher Anthony Pendergast, politician and businessman, born April 4, 1901; died January 26, 1998.



Shell shock

THE unthinkable has happened. The shell suit has been given the catwalk treatment. What began with a few cult collections in 1987's menswear shows has blossomed into a full-blown trend. The summer of 1998 now looks set to be the season of the shell suit. Flares, platform shoes, polyester shirts, the duffle coat, the anorak — they've all been dragged from the depths of fashion ignominy to be redesigned and relaunched. The shell suit must have been the toughest style challenge ever. But here it is, reincarnated on catwalks from Paris to Milan, possibly

A bad read
 A GOOD book is the precious life blood of a million spirits, writes John Milton, and it is precisely this that the *Everyman* series, or listen to *Every Lesson* on learning to read: The delicious excitement of it all... the discoveries... the surprises... I was not prepared for the good part of the time." So Sue Townsend: "Reading became a secret obsession... I went nowhere without a book... the walking library, my journey, walking through the world." The page-reading is endless. Ignore it! *Caesar*! I say... I say... don't pretend you weren't warned. "Much earning good make thee... I have learned the Acts of the Apostles a long time back... while the Greeks well knew the dangers." Reading is bad for your health, argues Ray, in *History Today*.

for a way to put themselves in such death-defying situations as the meaning of life. "If you're not sure they're insane, or if they have a death wish, and they won't hear of it. In a warped kind of way, dicing with death is a compulsive game that, simply put, makes them feel more alive. Word is that once you've got the taste for it, this kind of addiction is hard to give up.

As top sports psychologist Alan Syer puts it, "If you're the sort of person who enjoys taking risks, when you stop ... you die a little."

Scene, on why some people are prepared to go over the edge to live more out of life.

Jackie van Jaarsveld wants Juuvs. E-mail: jackie@guardian.co.uk or fax 0171-7138 436; or write Jackie van Jaarsveld, The Guardian, 119 Pall Mall Road, London EC1R 3EG.

Hannah Pool

NORTHUMBERLAND: THE unseasonably mild weather has wakened some species from hibernation. For example, the first of the year's early leeches were seen in March, thousands of toads cross the road in Harburn village from a wet-side field to reach a lake. A toad crossing sign has been erected to warn motorists of the leech cars. "We tell them at dusk," says one of the villagers. "Literally thousands of brown-green frogs making for the lake. Their trek goes on for days." Presumably these are common toads, whose coloration blends with the soil on which they live. Toads tend not to hop like frogs, but to walk. Some of these particular ones are remarkable climbers. I have watched them approach a craggy limestone wall and laboriously climb up it. There are numerous, but it is not clear if the toads are not discouraged; they persist until they make it over the top. The lake is the spawning ground, and, with extraordinary directness, they make for it, ignor-

water that look like choice, watery ponds and ditches.

Hiding by the lake one evening, I could hear the characteristic croaking of the toads. I could not pick out a single individual. At last, a ripple gave me the show away for one vocalist, and I could just see a head, a pair of staring eyes, and the energetic chest movements. Within a few weeks, there will be masses of double ropes containing the eggs of the new tadpole population; then the tadpoles will croak and be over and the toads will be gone again. Toads can make unacceptable pets and some have even been known to nibble on their owners. I have moved but have many snakes among animals and birds, although today the car must be the nest of their most devastating pest.

Last week, I watched a flock of more than 100 peewits come in from the south, flying en masse. Soon I shall see their courtship antics and then I will know that spring is here.

VERONICA HEATH

THE OBITUARY of Lord GAVAN, Page 18, February 7, oversimplified his parliamentary career when it declared that he was elected in 1929 as a Liberal. He was elected in 1929 as a Liberal. In 1931 he became a Liberal National. He resigned the whip in 1942 and became an Independent. He rejoined the Liberals in 1945.

A TRANSCRIPTION error caused us to misquote W H Gaudin in the *Empire* column, Page 14, February 16. Gaudin wrote: "The big zone guns... It appeared as 'gunnels'. A gennel is a arrow passage; a gunnel is a small, set-shaped marine fish."

IN THE Birthdays column, Page 18, February 17, we were mistaken both in the day and the date of birth of the Labour MP for the *Empire*. It is not 88. She was born on December 24, 1954. Apologies for the error.

COUNTRY Diary, Page 16, February 17, was headed, "Leafield Green, Cheshire. Heald

green is in Stockport, Greater Manchester. This war was caused by nostalgia.

A REPORT on Page 12, February 17, headed Indonesian riotous spread and worsened referred to rioting on the tourist island of Lombok. It should have said Lombok.

N A sidebar to a report headed, Movies urged to cut out smoking. Pages 6 and 9, yesterday, we referred to Robert De Niro's role in Midnight Train "and a chain-smoking felon brought to justice by a 3-0 county hunter..." De Niro played the chain-smoking county hunter. Charles Grodin played the felon.

is the policy of the Guardian to correct errors as soon as possible. Readers may contact the office of the Readers' Editor, Ian Moxes, by telephoning 0171 233 9977, between 11am and 5pm. Monday to Friday. Fax: 0171 233 9975. E-mail: readers@guardian.co.uk

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Brown to stamp on the NI 'jobs tax'

Larry Elliott and Mark Atkinson

GORDON BROWN is set to scrap National Insurance Contributions for firms taking on low-paid workers in next month's Budget after a call for a radical shake-up of the system by the head of the Government's tax and benefits review.

Under the plan drawn up by Martin Taylor, the Barclays chief executive, employers' NICs would be abolished on all weekly earnings less than £80 and a flat-rate of 12.2 per cent applied to all pay above that level.

The move would make it more attractive to hire people at the bottom of the income scale but more expensive to employ workers on top salary levels.

Although the Treasury was not commenting yesterday on Mr Taylor's recommendation, the Chancellor is known to favour any reform of NICs that would help the low-paid find work.

The Barclays chief executive last night asked employers' organisations to comment on the proposed changes, but said: "I believe the present structure imposes a heavy burden at the lower end of earnings distribution."

In my view, there is scope to reform NICs to encourage job creation at the lower end, remove distortions and reduce administrative burdens on employers."

The CBI gave a cautious welcome to the proposals, saying it could have a positive impact in lower wage sectors.

Adair Turner, the organisation's director-general, said: "The CBI supports the aim of improving incentives to create employment, and therefore sees potential merit in the proposed changes to employers' National Insurance Contributions."

Such a reform could have

a positive impact on employment in lower-wage sectors, and could help to offset the inflationary pressures likely to be created by the introduction of the minimum wage.

"We will, however, have to consider in more detail the impact of the change on companies with a high average salary bill, some of whom already face increased employment costs due to the phasing out of profit related pay."

Under the current structure, NICs will begin to be paid at £84 a week from April. Once that threshold is crossed, employers go from paying no NICs to 3 per cent on all earnings. "This is equal to £1.92 a week — a powerful incentive not to create jobs at or above this earnings level," said Mr Taylor. "Similarly, there are 'steps' at earnings levels of £110, £155 and £210, where an additional penny of earnings triggers large payments. Not surprisingly, employers are also reluctant to create jobs above those earnings thresholds."

Mr Taylor went on: "To eliminate these penalties on creating jobs where they are greatly needed, I am considering proposing a reform that would reduce employers' NIC on low-paid jobs."

"To be more precise, I should like the Chancellor to consider raising the point at which employers begin to pay NICs, to charge no NICs on any earnings below this level and to do away with sudden lumps of NICs associated with the 'steps'."

Mr Taylor said his proposals would not bring in extra cash to the Government but acknowledged that the main consequence would be to increase employer NICs slightly in respect of employees earning over £440 a week.

Budget changes to the NIC regime on March 17, signalled in November's Pre-Budget Report, are expected to be complemented by a tax credit to boost work incentives for employees.

Play gets serious



Half-term holidays will never be the same again. A baby version of PlayStation is planned by Sony

Sony tries hand-to-hand combat

PlayStation outsold all its rivals. Now it's going mobile. **Stuart Miller reports**

IT IS almost exactly a year since Nintendo, with a hype campaign of almost mythical proportions, finally released the machine it claimed represented the future of computer games consoles. Cartridge-based games, 64-bit graphics, a controller that would not look out of place in the cockpit of a Stealth bomber; the Nintendo 64 had the lot.

Now, after 12 months of "console wars", there comes the strongest sign yet of the extent to which the N64 has failed even to dent the dominance of its rival, the Sony PlayStation. Not content with its massive share of the \$15 billion global games market on the world's television sets, Sony plans to release a handheld, baby version of its gaming phenomenon.

From this time next year, minor details such as work, school or family commitments need never interrupt a gamer just as they reach that elusive level on Tekken or prepare to fight the final round of the World Championship in Formula 97.

The sales figures for PlayStation are remarkable. In Britain alone, it has more than 70 per cent of the market. The company claims it will have sold its two millionth console within the next couple of months. On Christmas Day, some 650,000 members of the human race opened their wrapping to find a PlayStation.

Against this performance, the N64 and the other also-rans, the Sega Saturn, cannot compete. Even Nintendo's price slashing — the N64 was launched at £250, falling to less than £100 by Christmas — has failed to impress discerning gamers.

Bid talk boosts ailing Filofax

FILOFAX, responsible for the archetypal yuppie accessory of the 1980s, yesterday indicated that it could be in takeover talks, writes *Pauline Spragg*. It said it was talking to "a number of parties about selling the whole or part of the group, strategic alliances and joint ventures".

Company watchers said they were unaware of takeover talks and suggested the shares, which jumped 22p to 183.5p — may simply have attracted the attention of an optimistic trader. It was also suggested the announcement may have been a ploy to smoke out an interested bidder.

The company's finance director, Christopher Brace, acknowledged that Filofax had been talking to several parties, but he insisted that the discussions were not advanced. He said that the company announcement had been put out to satisfy Stock Exchange requirements because of the share price rise.

Filofax caught the 1980s zeitgeist with its personal organisers, which swiftly became a must-have for busy yuppies. But the company has enjoyed mixed fortunes. It floated in 1987, but then nearly collapsed after the market was swamped with cheap imitations. It switched its sales focus towards young women with busy lives to organise. A return to profitability was followed by a takeover of its main UK rival, Topps, in 1995.

Doorstep lender pays out windfall

Jonathan Conino

PROVIDENT Financial, which charges an annual interest rate of 164 per cent on loans to the poor, yesterday announced a £93 million windfall for its shareholders.

Britain's largest lender of credit collected weekly on the doorstep said it was handing the cash to investors because it was not needed to expand the business.

Mary Sullivan, of the National Association of Citizens' Advice Bureaux, said the pay-out highlighted the ethical dilemma over whether to invest in such a company.

Provident, whose share price has risen by two-thirds over the past year, reported annual profits had risen by 15 per cent to £136.5 million.

The company relies on the 20 per cent of the population rejected by traditional lenders as too risky.

While "The Provvy" has to make relatively high bad debt

provisions, it more than makes up for this with interest rates vastly higher than the average 16 per cent charged by banks. The lending division made £127 million profit on £733 million of loans.

Ms Sullivan said that, while Provident provided a service to those on low incomes, credit unions and friendly societies offered much better deals. "Provident sells on the basis that people can afford 55 or so a week, without giving emphasis to what the total repayment cost will be."

But she said that the company works within the boundaries of the Consumer Credit Act and it was up to the Government to decide whether to follow the example of several European countries which cap annual percentage rates.

Howard Bell, Provident's chief executive, said: "We actually cost less than many high street banks when you take into account the totality of their charges such as arrangement fees."

Trocadero chief pins hopes on Enid Blyton and bars

Tony May

TROCADERO leisure group — still smarting from problems with its Segaworld joint venture — is putting its faith in expansion away from its origins in London's Piccadilly Circus.

John Conlan, who took over as chief executive and chairman in July, said the group's future lay with the exploitation of its Enid Blyton copyrights, which generated an operating profit of £2.01 million last year, and with a chain of new bars.

The group paid £10.5 million for five London bars last week and Mr Conlan plans to expand the Zoo Bar, Venom, Oxygen and Bar Madrid formats to other sites.

He said the bars were



Lure of the Segaworld arcade games failed to hit the right buttons with customers last year

PHOTOGRAPH: GARY CALTON

"high margin, high spend per head and a very successful formula". They made pre-tax profits of £1.8 million last year on sales turnover of £6.3 million.

"The future of the company is right away from the Trocadero," Mr Conlan said.

By contrast, Segaworld, the franchised computer game arcade venture with Japan's Sega Bandal Entertainment Corp inside the Trocadero building, continued to struggle throughout 1997, prompting the introduction of free admission early this year.

Nick Tambllyn, the managing director, said that since the removal of admission charges in early January, Segaworld had attracted unprecedented numbers during what is the quietest time of the year in the West End.

But Segaworld's operating losses and the write-off of 1996 start-up costs accounted for more than £1 million of losses for 1997.

In all, the group made a loss before exceptional items of £1.1 million compared with a £1.2 million profit in 1996. After tax and exceptional items the group loss rose to £38.6 million but Mr Conlan expects a return to profit sometime

this year. The new Trocadero IMAX 3D film theatre had opened in December, more than four months late and admissions so far were below expectations, he said.

The new £2 million "Drop Ride" is undergoing final tests. The ride, which plans passengers 125 feet down the inside of the Trocadero building in 1.5 seconds, should be opening on Friday the 13th of next month.

TUC challenges UK jobs record

Soumas Milne Labour Editor

UNEMPLOYMENT in Britain is higher than in France and Germany if those who are excluded from the active labour market but want to work are added to the official jobless total, according to a TUC report published today, on the eve of the G8 employment summit in London.

The large and rising proportion of those in the UK classified as "inactive" but who want a job — at 13 per cent, the highest rate in the European Union and more than double the average — undermines claims that a flexible British labour market is delivering the goods on employment, the TUC says.

Describing Britain as the "jobs exclusion capital of Europe", the report argues that, once the sharp increase in the number of those shut out of the labour market since 1992 — often because they were forced off the official

dole count on to disability and long-term sickness benefits — is taken into account, the country's job creation record has been "mediocre".

Using the most recent figures from the EU's labour force survey, the overall proportion of those who wanted work was found to be just under 15 per cent in Britain, compared with 13.4 per cent in France and 13.1 per cent in Germany. Britain's rate will have since improved, while Germany's will have got worse, taking all three countries to a rate of between 13 and 14 per cent.

The recent fall in British unemployment is due to a combination of growth faster than the EU average and the fact that far more people who want to work were pushed out of the labour market in the UK than in any other member state, the report concludes.

Another "key weakness" of Britain's labour market, the TUC argues, is the high proportion of men over 25 who have been unemployed for more than two years.

Hampshire's house buyers move with the times

Rupert Jones

THE recovery in house prices may be faltering, but properties are selling more quickly than ever. The average time taken to sell a house has dropped to just 11 weeks — half what it was in 1995, a new study shows.

Almost 50 per cent of the properties put on the market are sold in six weeks or less, and one in ten goes within seven days, said estate agency network Black Horse, part of Lloyds TSB.

There are big regional variations. While 40 per cent of properties in the South-east are sold in three weeks or

less, the average seller in the North-west has to wait for more than four months.

The 11-week national average is the fastest sale time since the agency started its regular reports on the housing market in August 1995. That summer, the figure was 22 weeks.

The dramatic drop since then is attributed to a range of factors. For one thing, shortages of quality property in many areas means that buyers act quickly.

"The mortgage market has become much more sophisticated," said Ian Davies at Black Horse. "It's certainly much more competitive. As a result you can generally get

the money a lot more rapidly if you fit the criteria."

The new report reveals that the fastest-selling area is Alton in Hampshire, where the average time between a home being put on the market and a sale being agreed is just two weeks. Close behind at three weeks are Gorleston, in Norfolk, Clarkson in Glasgow, Jesmond in Newcastle upon Tyne, Chelmsford in Essex, and Worcester Park, Surrey.

So what is it about Alton that makes it such a hot spot? "It's a very nice place to live," says Mr Davies. "People in Alton are commuting to London, they are commuting to the south coast, to places like Portsmouth and Southampton, and there is a lot of countryside you can get to easily."

While the average selling time in the South-east is seven weeks, and eight weeks in the Eastern region, sales in the North-west take 17 weeks, and 13 weeks in the Midlands and North-east of England.

The typical property achieves 95 per cent of the asking price. The survey found that gazumping — where a seller accepts an offer but then pulls out after receiving a higher one — affects 3 per cent of transactions, down from 5 per cent last year.

"The market is steady, and while there is still a lack of choice for those wishing to

buy, there are recent indications of more sellers being prepared to put their homes on the market before finding the property they wish to buy," said David Woodcock, the estate agency's managing director.

But further evidence that the housing market is continuing to cool came in the form of building society figures showing a sharp drop in mortgage lending.

Advances fell to £1.27 billion in January compared with £1.66 billion in December, said the Building Societies Association.

Mortgage approvals — where the building society has agreed to lend — totalled

£1.25 billion last month, down from December's £1.46 billion.

"The lending figures for January provide continuing evidence of a slight slowdown in the housing market recovery," said Adrian Coles, the association's director-general.

He warned the Bank of England that another increase in interest rates was "likely to further dent confidence in the market."

He believed that the succession of interest rate rises and the cut in mortgage interest tax relief which takes effect in April have succeeded in moderating any inflationary pressure there may have been in the housing market.

Tomorrow: The summit season opens

Plus: Mixing tennis with business

Financial Editor: Alex Brummer
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FinanceGuardian

Mammon nods to spiritual needs of poorest

THE Archbishop of Canterbury, Dr George Carey, and James Wolfensohn, World Bank president, at Lambeth Palace yesterday after co-chairing a "Frank and Intensive" dialogue about overcoming poverty.

Religious leaders from nine faiths and the bank agreed to work together to ensure development projects consider spiritual, moral and social factors as well as financial considerations, writes Mark Atkinson.

In a joint statement, Dr Carey and Mr Wolfensohn said: "We cannot accept the suffering of so many millions of people around the world."

Religious communities will be invited to influence the bank's thinking over its annual world development reports.

The nine faiths represented were: Baha'i, Buddhist, Christianity, Hindu, Jain, Jewish, Muslim, Sikh and Taoist.

PHOTOGRAPH: ALASTAIR GRANT



Notebook

Piloting Europe through clouds



Edited by Mark Milner

ALTHOUGH aerospace and defence are long-term businesses, there seemed a touch of hubris about British Aerospace yesterday as it contemplated income streams some 50 years in the future. Still, with the share price touching the stratosphere (£18.42 yesterday against little more than £1 in late 1992), BAE no doubt feels justified in a bullish view of the future.

The question is less, however, about whether the income streams will be there halfway through the next century but more how, and in what form, BAE will still be around. The need to compete with the increasingly powerful Americans is pressing the Europeans, including BAE, to rethink an industry often fragmented along national lines.

By aerospace and defence time-scales it is a pressing problem. BAE and its partners in Airbus have already committed themselves to turning their arrangement into a single corporate entity to which others, namely the Italians, would like to sign up. The restructuring of the pan-European defence business is being driven forward by the governments of France, Britain and Germany. They have given their leading companies until the end of next month to come up with proposals for the future.

The pressures are having their effect. As BAE was unveiling its latest figures yesterday, the board of France's Aerospatiale was in a huddle over plans for a new, forward-looking group structure, although its relationship with privately-owned Dassault still needs sorting out.

BAE looks in good shape. Its market capitalisation, order book and cash pile — despite the costs of exiting the turbo-prop business — will be handy assets in the complicated restructuring negotiations. Maintaining a clear view of shareholder value through the fog of conflicting interests will be a tricky task.

Labour councillor John Dearnley, who runs a toy and cycle shop in the Gloucestershire town, said he hoped voters would back Tesco's application. But, whatever the outcome, which is not binding, he believes it is important to test local opinion.

All three representatives of the town on Cotswold district council are in favour of the application.

mium. That reflects the dire state of the Kwik Save business but also Somerfield's fragility in a market which is increasingly dominated by Tesco, Sainsbury and Asda.

Putting together these two strugglers is not likely to transform their prospects, however. It does give Somerfield the best chance it is likely to get to keep its earnings growth going for a year or two longer, thanks to the opportunities for savings and provisioning in putting together the two businesses.

The merger also gives Kwik Save's shareholders, Dairy Farm, a chance to slash its 29 per cent stake, converting it into a smaller share of a business with less gaily prospects.

But the end result is a new Somerfield with the same problems it has been struggling with throughout the 1990s, exacerbated by the addition of yet another format.

The fact remains that Tesco and Asda are making the running in food retailing. Unless there is a dramatic reversal in shopping habits, the new Somerfield will continue to struggle.

Opposite banks

THIS week the governors of the central banks of the UK and Ireland, Eddie George and Maurice O'Connell, have been giving evidence to committees of members of their respective parliaments. What contrasting tales they had to tell.

Yesterday Mr George had the luxury of being able to argue that the Government's 2.5 per cent inflation target was not a "ready reckoner" by which to judge the Bank of England's action on interest rates.

Fifty poor Mr O'Connell. The Governor of the Bank of Ireland also has a pretty shrewd suspicion that Ireland may miss his, coincidentally, 2.5 per cent inflation forecast for 1998. In remarks to MPs made public yesterday he said that, all things being equal, Irish interest rates would be going up. All things are not equal, however. Ireland is heading for the first wave of monetary union and, despite the inflationary pressures, rates are likely to have to be cut to converge with levels prevailing among Ireland's European partners. There may be a risk of the Irish economy overheating but there is not that much Mr O'Connell can do about it.

The UK may face some of the same falling currency pressures as the Irish if the markets take the idea of the hard euro to heart and stop using sterling as a safe haven. But at least Mr George will be able to do something about it.

Roger Cowe

SOMERFIELD and Kwik Save yesterday sealed a £1.2 billion merger to create the country's largest supermarket chain in terms of selling space. The combined group will have sales of £6 billion, putting making it the fifth largest supermarket by sales value.

Somerfield shareholders will own 62 per cent of the new group after the share swap, which will give Kwik Save shareholders seven Somerfield shares for every six of their present holdings. The share price of both companies leapt on the news.

The new combine will retain the Kwik Save name for about 600 smaller shops but Somerfield chief executive David Simons, who will lead the merged group, said up to 150 shops would close.

He warned that hundreds of jobs would go at Kwik Save's Prestatyn headquarters, which is to close. Putting the two companies together was expected to save at least £50 million. Reducing central overheads will contribute £15 million of that.

The 800 staff at Prestatyn will know within a month which jobs will be transferred

to Somerfield's headquarters in Bristol. The run-down of jobs in Prestatyn will take at least a year.

"We will be as fair as possible," Mr Simons said.

Somerfield's property director, Philip Coates, is a casualty of the merger. He is the only Somerfield director to lose out, with Terry Atkinson from the smaller company taking the top property job in the enlarged group.

The junior partner's marketing director, Phil Smith will become deputy chief executive, while finance director Derek Pretty will take charge of the stores which retain the Kwik Save brand.

Kwik Save chairman Simon Keswick will be the first chairman of the enlarged group but a new, independent chairman will be recruited. Somerfield chairman Andrew Thomas will be deputy chairman.

One hundred stores in the discount chain will be converted to the Somerfield format. Up to 150 others may be closed where they clash with Somerfield sites. Mr Simons said the fate of the remainder of the chain would be determined over the next 18 months through a series of test formats.

The company will continue with the New Generation format being tested by 19 Kwik Save stores.

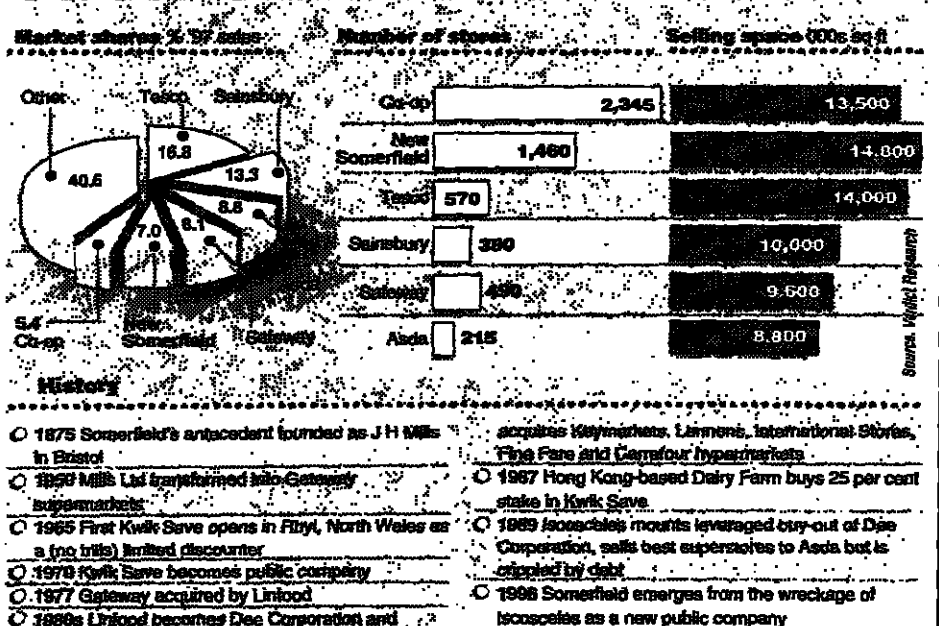
Analysts yesterday questioned whether the deal would help Somerfield compete with the supermarkets which increasingly dominate food retailing. But Mr Simons insisted that the new operation would be a powerful competitor.

Yesterday's statement included a profit warning from Kwik Save, despite improved sales performance.

Heavier spending on store wages and cleaning, higher advertising expenditure, and the cost of the New Generation strategy were blamed for

the depressed profit expectations. The company said that over the last eight weeks it had improved profit margins by 1 per cent and stemmed the fall in sales, which had previously been running at 5 per cent. Sales were still 1 per cent below last year's level.

The new Somerfield



Tesco forces town to polls

VOTERS in Tetbury — the local town for Prince Charles' Highgrove estate — were last night taking part in an unusual exercise in local democracy, writes Roger Cowe.

The 4,000 citizens on the electoral roll were casting their vote on the vexed issue of whether Tesco should be allowed to build a supermarket on the edge of the town, which boasts a small Somerfield store.

The unusual parish poll was called by the Labour group on Tetbury town council after opponents of the new store claimed that Tesco's own consultation exercise was flawed.

Labour councillor John Dearnley, who runs a toy and cycle shop in the Gloucestershire town, said he hoped voters would back Tesco's application. But, whatever the outcome, which is not binding, he believes it is important to test local opinion.

All three representatives of the town on Cotswold district council are in favour of the application.

BAe sees clout in cash terms

Nicholas Bannister, Chief Business Correspondent

BITISH Aerospace increased profits last year by almost a third, only to see the improvement whittled out by the cost of withdrawing from its loss-making turbo-prop regional aircraft business.

The country's leading defence group disclosed that it was determined to increase its cash mountain to give it more clout in the expected restructuring of Europe's defence industry.

Chief executive Sir Richard Evans said the growing strength of the business "gives us a range of options" in the reshaping of the industry which the British, German and French governments called for last year.

Proposals from the various organisations involved, due to be submitted by March 31, would show where there was common ground and where the advantages and difficulties lay, he said.

Any move must add value for BAE shareholders as compensation for relinquishing any control, Sir Richard said. A three-way link involving

all three countries is widely regarded as the best way of creating a European defence group able to compete with America's big three defence groups — Boeing, Lockheed Martin and Hughes Aircraft. But France's desire that its state-owned Aerospatiale should have a leading role in any combine is seen as a serious problem.

Sir Richard pointed out that it was essential that all shareholders in a new defence business should have the same rights. "It is a very difficult situation in France, where the government is relatively new and opposed to privatisation," he said.

The group is expecting Airbus Industrie, in which it has a 20 per cent stake, to increase production to meet demand. Profits from Airbus will be partially offset in the next two years by repayment of government launch aid.

BAE's profits before tax and exceptional items for 1997 rose 31 per cent to £598 million on sales 15 per cent ahead at a record £8.54 billion. However, the £230 million cost of ending production of the Jetstream turboprop aircraft left pre-tax profits £165 million lower at £330 million.

Digital TV alarm is sounded

Chris Barrie, Media Business Correspondent

BROADCASTERS and television regulators are holding a crisis meeting today with the Radio Communications Agency amid concern that the launch of digital television may be hampered by the way the Government is negotiating for the right to use international frequencies.

The meeting comes after top television executives wrote to Margaret Beckett, the Trade and Industry Secretary, last week to complain of the slow progress being made by the RCA in its talks with Belgium and France over the rights to frequencies.

The executives include Sir Christopher Bland, chairman of the BBC, Michael Green, chairman of Carlton, Gerry Robinson, chairman of Granada, Leslie Hill, chairman of the ITV Network Centre, and Michael Jackson, chief executive of Channel 4.

The industry concern centres on the speed and manner of negotiation for the right to use frequencies needed for terrestrial digital television. The service is due to begin on November 1, and transmitters to cover 90 per cent of the country have to be installed at 81 sites before that date.

Broadcasters say they need to know details of the sites and frequencies very soon if they are to meet the deadline.

George defends rates stance

Mark Atkinson, Economics Correspondent

BANK of England Governor Eddie George continued to make dovish noises on interest rates yesterday despite warning last week that a further increase loan costs probably would be needed for the Government to hit its inflation target.

In evidence to the Commons Treasury select committee, Mr George told MPs that last week's quarterly Inflation Report, which projected a slight overshoot of the 2.5 per cent target, was not a "ready reckoner" that implied a rate rise would occur automatically.

It was a benchmark against which economic statistics were monitored, Mr George said.

Asked if he viewed Wednesday's retail sales figures, showing the fastest growth rate for 10 years, as worrying, Mr George said seasonal distortions made the data hard to read. They did not demonstrate conclusively the case for higher rates.

Explaining his decision to vote against a rate rise at January's meeting of the Bank's monetary policy committee, where there was a 5-3 split in favour of leaving rates at 7.25 per cent, Mr George said

there were huge uncertainties about the strength of the economy and that the "costs of waiting were limited" when the forecast was so close to the target.

Moving hastily to tip the economy into an unnecessary recession when there was some evidence of domestic demand waning and exports were falling as a result of the strength of the pound.

Asia's financial crisis would aggravate the exports downturn.

William Butler, one of the three MPC members who voted in favour of higher rates in January, told MPs he thought raising interest rates was better done sooner rather than later.

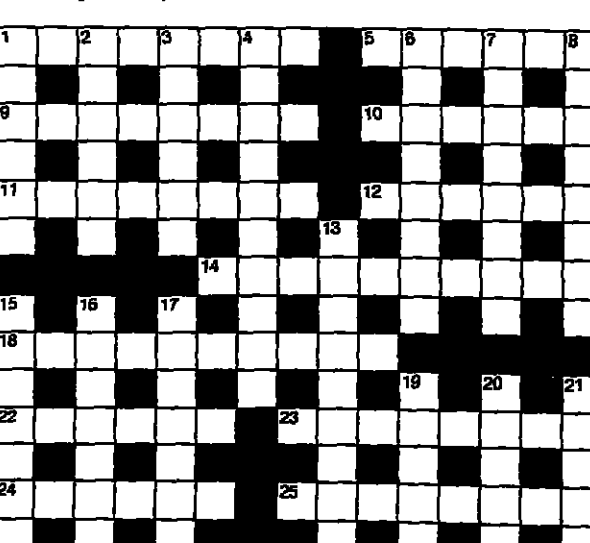
"I tend to believe moving earlier is superior than moving later and having to move more to achieve the same effect," said Butler.

Charles Goodhart, who also voted for a rate increase in January, said that unlike the Governor he did not think any of the uncertainties about the economy would have been resolved by waiting. He was concerned that soaring share prices might boost consumer spending and threaten the inflation target.

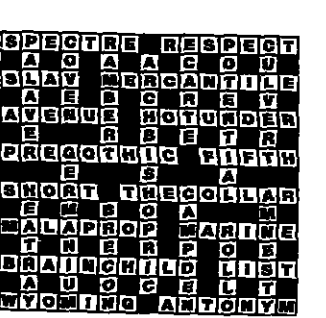
The MPC also voted to leave base rates at 7.25 per cent in February, but minutes of that meeting have not yet been released, although it is assumed, in the light of the hawkish tone of the report, that the disagreement continued.

Guardian Crossword No 21,203

Set by Crispa



- Across**
- 1 A better sign language (5)
 - 5 Sup not concoction and this may well be the result (5)
 - 9 Fine royal personage showing consideration (8)
 - 10 Working man likely to be in a union? (5)
 - 11 No longer ministered to for long (5)
 - 12 Argue about a boy's appearance (5)
 - 14 Perpetually making changes till a team's formed (2,3,5)
 - 18 Boards train — transport once regularly used (10)
 - 22 Wear a false beard (5)
 - 23 Leaves a group of fellows around bar (5)
 - 24 Start striking hard (5)
 - 25 Such jocularity can be distressing for the elderly (5)
- Down**
- 1 In parliamentary debate there should be restraint (5)
 - 2 Christian and Zionist leaders are about to suggest this is material (5)
 - 3 Magnetic label split by family (5)
 - 4 No coins got sorted out in overcrowded conditions (10)
 - 6 Real estate of quality (5)
 - 7 An employee takes part, and that's fine (5)
 - 8 Asperity starts possibly without point (5)
 - 13 Wood for constructing bar — get on with it! (10)
 - 15 Look into way out item on the menu (5)
 - 16 The returning sailor

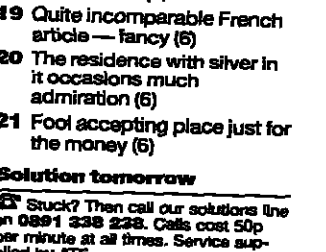


CROSSWORD SOLUTION 21,202

smuggled gold, so he's reported (5)
17 Steadier maybe, but most expeditious (5)
19 Quite incomparable French article — fancy (5)
20 The residence with silver in it occasions much admiration (5)
21 Foot occupying place just for the money (5)

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Austria 20.39	Germany 2.8994	Malta 0.53	South Africa 7.90
Belgium 20.85	Greece 450.26	Netherlands 3.2581	Spain 244.41
Canada 2.25	Hong Kong 12.35	New Zealand 2.73	Sweden 13.00
Cyprus 0.85	India 63.73	Norway 12.11	Switzerland 2.34
Denmark 11.11	Ireland 1.898	Portugal 208.52	Turkey 257.880
Finland 0.56	Israel 5.91	Saudi Arabia 6.05	USA 1.0056

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